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To the Honorable George H. Ryan, Governor
and the Honorable Members of the General Assembly

In compliance with 40 ILCS 5/1A-108 of the Illinois Pension Code, I am pleased to submit the 1999 Biennial Report of the Department of Insurance on the activities of its Public Pension Division and the financial condition of the state's 598 public pension funds and retirement systems.

At the end of FY97 the aggregate net assets of the 320 suburban and downstate police funds and those of the 263 firefighter funds were over 5.5 billion dollars. The aggregate net assets of the 15 statewide, Cook County and Chicago pension funds and retirement systems were over 75.7 billion dollars. The Pension Division staff monitors the compliance activities of those public pension funds with state statutes.

The period covered by this report has been one of transition and restructuring for the Division. Expanding investment authority for suburban and downstate fire and police pension funds along with increased complicated benefit calculations have presented new challenges of complexity for the Division. To meet this formidable challenge the Division has had to undertake a complete review of its processes and procedures, and embrace automation.

Sincerely,

Nathaniel S. Shapo
Director

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Public Pension Division



General Assembly
Retirement System

Suburban and
Downstate Police

Suburban and
Downstate Firefighters

(Chicago) Policemen's
Annuity and Benefit Fund

(Chicago) Firemen's
Annuity and Benefit Fund

Illinois Municipal
Retirement Fund

(Chicago) Municipal
Employees'
Officers' and Officials
Annuity and Benefit Fund

County Employees' and Officers'
Annuity and Benefit Fund (Cook
County)

(Cook County)
Forest Preserve
District Employees'
Annuity and Benefit Fund

(Chicago) Laborers' and
Retirement Board Employee's
Annuity and Benefit Fund

(Chicago) Park Employees' and
Retirement Board
Employees'
Annuity and Benefit Fund

Metropolitan Water
Reclamation
District Retirement Fund
(of Greater Chicago)

State Employees'
Retirement System of Illinois

State Universities
Retirement System

Teachers' Retirement System
of the State of Illinois

Public School Teachers
Pension and Retirement Fund
of Chicago

Judges Retirement System
of Illinois

The Public Pension Division of the Department of Insurance was originally established by authority of an Act of the 66th General Assembly in 1949. This legislation superseded and repealed a former law enacted in 1927. The Division functioned under the 1949 Act until July 1, 1963, at which time it became subject to Article 22, Division 5 of the Pension Code. The Illinois Compiled Statutes (ILCS) effective January 1, 1993 changed the Pension Code to Act 5 of Chapter 40 ("Pensions"). Article and section numbers within the Code remain the same, and need only to be preceded by "5/." PA 90-507 moved the Public Pension Division Article (40 ILCS 5/22) to Article 1 of the Pension Code under new heading 40 ILCS 5/ Article 1A.

Chapter 40 ILCS 5/1A-101 states, "There is created in the Department of Insurance a Public Pension Division which, under the supervision and direction of the Director of Insurance, shall exercise the powers and perform the duties and functions prescribed under this Code."

The Pension Code sets forth four broad areas of authority which guide the entire operation of the Division:

1. examinations and investigations of the affairs of all public employees pension funds and retirement systems in the state;
2. accumulation of financial and statistical data pertaining to the operation of all such funds and systems;
3. offering of advisory services to pension trustees and participants, as well as members of the General Assembly; and
4. automation of the Division's operations, services, and communications to the fullest practical extent

The Division's activities in these areas of authority vary in degree and intensity. The suburban and downstate police and fire pension funds do not have staff support and

many times the Division, by default, functions in this capacity. The Chicago, Cook County, and statewide pension funds and retirement systems have professional staff support for their trustees, and the Division's role is more of coordination.

INVESTIGATIONS AND EXAMINATIONS

Chapter 40 ILCS 5/1A -104 states, "The Division shall make periodic examinations and investigations of all pension funds established under this Code and maintained for the benefit of employees and officers of governmental units in the State of Illinois."

Though the Division has the authority to perform compliance audits on all pension funds and retirement systems created by the Pension Code, the Auditor General performs audits on statewide pension funds funded by the state. Limited budget and staffing resources have required the Division to exercise its option under the Pension Code "to accept and rely upon a report of audit or examination made by an independent certified public accountant" in lieu of conducting its own examination for the Chicago, Cook County and Illinois Municipal Retirement Fund systems.

However, with the passage of P.A. 90 - 507 effective August 22, 1997, "The Department may implement a flexible system of examinations under which it directs resources as it deems necessary or appropriate. In consultation with the pension fund being examined, the Division may retain attorneys, independent actuaries, independent certified public accountants, and other professionals and specialists as examiners, the cost of which (except in the case of pension funds established under Article 3 or 4) shall be borne by the pension fund that is the subject of the examination." The Division plans in FY2000 to identify a Chicago or Cook County pension fund to coordinate compliance items to be filed as part of their annual financial audit.

An examination conducted by the Division encompasses a compliance audit which includes a comprehensive review of management and administrative practices of the board of trustees. The Division reviews in detail all action taken by the board pertaining to the operation of the fund to determine compliance with state law, and prepares a written report reflecting the results of the examination. The report summarizes the examiner's findings, and contains specific recommendations to the board of trustees on implementing any required actions. The average assets of downstate and suburban police and firefighter's pension funds audited were \$11,700,000 and the average number of participants was 67.

After the board implements the corrections, or if no corrections are required, the report is filed as a public record. The Division refers specific findings of non-compliance that are not corrected by the board of trustees to the Director of Insurance for appropriate action.

Because of limited field staff and the great diversity in the size of suburban and downstate police funds, the Division is planning to automate on-site field audits as much as possible. The two greatest demands of field audits are reviewing payroll records for correct contributions withheld and checking benefit calculations. Contributions and benefit calculations are the highest percentage of audit findings. The second highest percentage are in the areas of management and administration, and investment activities are the third highest. The audit findings emphasize the need for better recordkeeping and documentation of the board's activities.

Recommendations:

⇒ The Division needs to hire at least four more Field Compliance Officers. Downstate and suburban police and firefighter's pension funds should have on-site field audits every other year. Currently, the Division's field

examination staff consists of a Chief Compliance Officer and four compliance officers (three based in Chicago and one in the Springfield area) who conduct examinations of the 583 downstate and suburban police and firefighter pension funds in the state. The current arrangement allows for too few audits conducted within an acceptable time frame and would not be considered sound auditing practices.

⇒ The Division needs the material resources to automate its field operations as much as possible.

⇒ The Division needs additional resources to upgrade and improve the use of technology to provide up-to-date information to trustees via Internet.

⇒ The Division needs the resources to develop workshops for trustees to address specific audit problem areas.

⇒ The Division needs the authority and direction to encourage pension boards to adopt rules and regulations.

COLLECTION OF FINANCIAL, ACTUARIAL, AND STATISTICAL DATA

Chapter 40 ILCS 5/1A-109 states, "Each pension fund shall furnish to the Division an annual statement in a format prepared by the Division." As the state's central repository of public pension information the Division receives data from all 598 pension funds and retirement system. The Division uses this information to analyze each fund's fiscal condition, compliance with legislative standards, investment policies, to generate biennial reports to the General Assembly, and to prepare various special reports used by organizations and government agencies for a variety of purposes. Although different formats are utilized in reporting the required

information, data submitted by each system includes the following.

- an income statement and balance sheet reflecting all financial activities of the fund;
- a detailed statistical report showing active membership of the fund;
- information pertaining to benefits being paid;
- a complete investment portfolio breakdown; and
- an actuarial valuation report stating liabilities of the system.

Division personnel audit annual statements and refer any discrepancies noted back to the retirement system for explanation or changes.

The Division maintains historical annual statement and correspondence files on each of the 598 pension funds and systems dating back for years. Gathering, entering, storing, and retrieving this information has been an overwhelming manual task. Electronic Filing Rule, 50 Ill. Adm. Code 4405-30, effective December 1, 1997, requires all pension, annuity or retirement funds or systems regulated by the Pension Division to file mandatory annual statements electronically. This progress has greatly increased the Division's ability to receive such a high volume of data, store and retrieve it in a timely manner.

The Division is working to develop an automated application for the complex and sophisticated techniques involved in pension calculations and actuarial computations such as tax levies. The Division provides data and information about administrative and operational factors that impact public pension funds. It also provides statistical models for pension analysis and planning.

A significant problem are the errors in the data submitted to us from pension funds.

There are also hardware and software issues that we must address.

Recommendations:

⇒ The Department needs the resources to develop a network, data base and Internet site specifically for electronic filing which would include providing software applications to the pension funds that would retain previous years' data and upload data through existing web browsers.

⇒ The Internet site would be used for pension funds to update their data in the Division's data base.

⇒ The Internet site would be available for pension funds to do benefit calculations.

Expanded Investment Authority For Police and Firefighter Pension Funds

Public Act 90-507 signed into law on August 22, 1997, allows for expanded investment authority for all downstate police and firefighter pension funds. The effective date for the purchase of these new investment products was January 1, 1998.

The law requires all funds to adopt and file an investment policy with the Department of Insurance.

Pension funds with assets from zero to \$2,500,000 are authorized to invest up to 10 percent of their assets in separate accounts of life insurance companies authorized to do business in Illinois.

Pension funds with assets of \$2,500,000 to \$5,000,000 are authorized to invest up to 10 percent of their assets in separate accounts of life insurance companies authorized to do business in Illinois and an additional 35 percent in mutual funds meeting the following requirements. Mutual fund must be managed by an investment company registered under the Federal Investment

Company Act of 1940 and the Illinois Securities law of 1953. The mutual fund shall be comprised of stocks, bonds, or money market instruments, been operational for five years and have total net assets of \$250 million or more.

Pension funds with assets exceeding \$5,000,000 are authorized to invest up to 10 percent in separate accounts of life insurance companies authorized to do business in Illinois and an additional 35 percent in mutual funds or individual common or preferred stocks provided the individual equities investments are made through an investment advisor acknowledging fiduciary responsibility under written contract to the fund. The stocks must be those of U.S.A. corporations that have been in existence for five years. Corporations cannot be in arrears on payment of dividends in the last five years and the market value of stock in any one corporation cannot exceed 5 percent of cash and investment assets of the pension fund. Stocks must be listed on a national securities exchange and stock in any one corporation cannot exceed 5 percent of the total outstanding stock on the corporation.

Investment advisors and other persons providing investment services shall give full written disclosure of all fees, both direct and indirect prior to providing the services.

ADVISORY SERVICES

Chapter 40 ILCS 5/1A-106 states, "The Division shall render advisory services to the pension funds on all matters pertaining to their operations and shall recommend any corrective or clarifying legislation that it may deem necessary." The section also states, "The recommendations may embrace all substantive legislative and administrative policies, including, but not limited to, matters dealing with the payment of annuities and benefits, the investment of funds, and the conditions of the books, records, and accounts of the pension fund."

To help accomplish this task the Division formed a Pension Advisory Service Committee composed of all fire, police, municipal organizations and individual trustees which do not represent any organization. The purpose of the committee is to provide feedback and communications concerning pension issues facing pension boards. The following organizations are members: Illinois Municipal Treasurers Association, Illinois Professional Firefighters Association, Illinois Municipal League, Illinois Police Pension Fund Association, Police Benevolent and Protective Association, Associated Firefighters of Illinois, and the Illinois Public Pension Advisory Committee. The following trustees are members: Giotosa Carmine, Stan Helgerson, Craig Larson, Bill Stafford, Matthew Williams, and Jerry Kosik.

Through the Advisory Service program, the Division: participates in workshops, seminars, and conferences of various organizations that represents trustees and participants to clarify pension issues; issues a trustee handbook; maintains a toll-free number exclusively for use by trustees; provides updates on legislation, annual statement issues and other information through mass mailings; and provides suggested tax levies for most downstate police and fire pension funds.

In the next two years the Division plans to increase advisory service activities to include quarterly workshops addressing compliance issues throughout the state and create information on specific issues affecting the administration and operations of pension funds.

AUTOMATION OF SERVICES

Chapter 40 ILCS 5/1A-107 states, "The Division shall automate its operations, services, and communications to the fullest practical extent. This automation shall include, but need not be limited to, the acquisition, use, and maintenance of electronic data processing technology"

This mandate to automate provides tools and resources for the Division to fulfill its statutory responsibilities to monitor pension fund activities in an increasingly complicated environment. A substantial majority of the funds have an outside source prepare their annual statements (CPAs, banks, investment advisors, actuaries, municipal treasurers, government finance officers). Ninety percent use IBM compatible systems. Less than five percent use some type of vendor software to keep their records. With the development of an electronic reporting network, the number of funds currently having external sources prepare their reports, and the small usage of existing pension software for preparing reports by public pension funds, the opportunity exists to design and implement a compatible statewide system. Automation recommendations have been made in previous areas of this report.

Court Decisions

On April 6, 1999, the Court in *Board of Trustees of the Chicago Heights Police Pension Board et al v. The Department of Insurance*, 98CH6867 Circuit Court of Cook County, held that the Department is prohibited from collecting the annual compliance fee through a mandatory Automated Clearing House transaction. At issue were the recently adopted Pension Division regulations adopted at 50 Ill. Adm. Code Part 4415 which made the payment of the annual compliance fees via the automated clearinghouse transaction mandatory. The court found that the Pension Division lacked the authority to make the payment through an automated clearinghouse transaction mandatory. The annual compliance fee assessed pursuant to Section 1A-112 of the Illinois Pension Code was not challenged and is still valid law. The Pension Division appealed the decision of the Circuit Court and the matter is still pending.

On March 31, 1999, the Appellate Court of Illinois in *Board of Trustees of the Lansing Police Pension Fund and the Board of Trustees of the Lansing Firefighters' Pension*

Fund and Ralph Schauer and Dean Stanley v. Illinois Department of Insurance, No. 1-98-2220 (1st Dist.), found that the Pension Division can challenge a pension fund's ongoing decisions to continue to make payment on a previous decision to grant a pension benefit. In so finding, the court reasoned that the Pension Division "challenge is consistent with the Department's statutory authority to examine and investigate the policies and practices of a public pension fund."

Administrative Code Updates

50 Ill. Adm. Code 4401 (Examination and Audit Procedure) was amended August 7, 1998, to revise the main authority note and other corresponding citations pursuant to PA 80-507, effective August 22, 1997, which repealed the majority of Division 5 of the Illinois Pension Code and replaced it with Article 1A. The amendment also clarifies existing provisions by adding definitions and a provision that allows the Department to accept a report of audit or exam of a pension fund from a certified public accountant.

50 Ill. Adm. Code 4402 (Definition of Salary) was amended August 7, 1998, to revise the main authority note and other corresponding citations pursuant to PA 90-507, effective August 22, 1997, which repealed the majority of Division 5 of the Illinois Pension Code and replaced it with Article 1A.

50 Ill. Adm. Code 4404 (Portability of Creditable Service Time for Downstate & Suburban Police Pension Funds) was adopted May 4, 1998, to implement Public Act 90-460 which requires the Department of Insurance to establish methodology for calculating the true cost of transferring creditable service time for certain public pension funds. This rule had been adopted on an **emergency basis** in December 1997.

50 Ill. Adm. Code 4404 (Portability of Creditable Service Time for Downstate & Suburban Police Pension Funds) was adopted effective May 1, 1998, to implement Public Act

90-460 which requires the Department of Insurance to establish methodology for calculating the true cost of transferring creditable service time for certain public pension funds. This rule had been adopted on an **emergency basis** in December 1997.

50 Ill. Adm. Code 4405 (Electronic Filing) was amended August 7, 1998, to revise the main authority note and other corresponding citations pursuant to PA 90-507, effective August 22, 1997, which repealed the majority of Division 5 of the Illinois Pension Code and replaced it with Article 1A. Section 1A-109 now requires all pension funds to file an annual statement with the Department.

50 Ill. Adm. Code 4415 (Payment of Annual Compliance Fees for Pension Funds) was adopted effective April 27, 1998, to implement Public Act 90-507 which requires Illinois public pension funds to pay an annual compliance fee. The rule establishes a payment mechanism for the fee.

50 Ill. Adm. Code 4425 (Securities Custody Affidavit) was adopted September 21, 1998, to provide verification that dealers maintaining custody and possession of, or control over, the securities of a pension fund are in compliance with the statutory requirements of PA 90-507 which became effective August 22, 1997. Verification shall take the form of a notarized affidavit provided to the pension fund on an annual basis pursuant to Section 4425.40 of this rule.

50 Ill. Adm. Code 4430 (Investment Fee Disclosure Requirements for Pension Funds) was adopted on March 31, 1998, to implement Public Act 90-507 which allows pension funds to make permitted investments beginning January 1, 1998. The rule addresses fee disclosure to ensure that pension funds obtain adequate information about the actual fees and costs incurred in conjunction with investment transactions. The rule had been adopted on an **emergency basis** in December 1997.

50 Ill. Adm. Code 4430 (Investment Fee Disclosure Requirements for Pension Funds) was adopted on an **emergency basis** effective December 16, 1997, to implement Public Act 90-507 which allows pension funds to make permitted investments beginning January 1, 1998. The rule addresses fee disclosure to ensure that pension funds obtain adequate information about the actual fees and costs incurred in conjunction with investment transactions. This rule was adopted March 31, 1998

50 Ill. Adm. Code 4435 (Noncompliance Notification and Penalties) was adopted June 1, 1998, to address new legislation which assesses penalties on pension funds for noncompliance with the Illinois Pension Code and the Department's regulations. The rule sets forth the process for the assessment of penalties as prescribed by Section 1A-113 of the Illinois Pension Code which includes a hearing. The rule also provides criteria for the Director's determination of whether a pension fund has demonstrated good and sufficient cause for its noncompliance with the Illinois Pension Code and the Department's regulations.

Legislative Changes Affecting Pension Funds and Systems

PA 90-0031

Amends the Chicago Municipal and Laborer Articles of the Pension Code. Provides that new annuities are payable on the first day of the calendar month, without proration. Authorizes the city to substitute funds obtained from borrowings and other sources for a portion of its authorized tax levy for pension purposes. Expands the investment authority of the board. Eliminates the provision restricting investments to the items specified in Section 1-113 of the Code; provides that investments in those items are deemed to be prudent. Contains related provisions. Provides that persons who have been out of service for up to 90 days and persons who are active participants in a reciprocal retirement system but are not in city service may establish credit for certain periods of service. Authorizes the board to adopt rules prescribing the manner of repaying refunds and purchasing optional credits. Authorizes the fund to accept direct rollovers of moneys from other qualified retirement plans. Changes the manner of calculating annual salary for minimum annuity purposes; applies to persons withdrawing from service on or after July 1, 1990, and makes the resulting increases retroactive to the start of the affected annuities, without interest. Also makes technical changes.

Amends the Chicago Laborer Article of the Pension Code to require participation by employees of the boards of certain other Chicago public pension funds. Provides that an employee may establish credit in the fund for service rendered as a police officer, firefighter, or teacher.

Amends the State Mandates Act to

require implementation without reimbursement. Effective immediately.

PA 90-0507

Amends the Judges Article of the Pension Code. Allows certain judges to elect to contribute (or to rescind their election not to contribute) for a spouse's annuity benefit. Effective immediately.

Amends the Illinois Pension Code. Adopts provisions relating to fiduciaries and investment advisers. Expands the investment authority of downstate police and fire pension funds. Creates a new Article 1A relating to the powers of the Public Pension Division of the Department of Insurance, substantially incorporating the provisions of current Article 22, Division 5 (with numerous substantive and technical changes); repeals Article 22, Division 5 of the Code.

Amends the State Finance Act to create the Public Pension Regulation Fund. **Amends the Public Funds Investment Act** to exclude downstate police and fire pension funds. **Amends the Illinois Securities Law of 1953** to specify that dealers, salespersons, and investment advisers may be disciplined for causing or advising a public pension fund to make an investment or engage in a transaction not authorized under the Illinois Pension Code.

Decreases the maximum annual compliance fee from \$10,000 to \$6,000. Requires the municipality, rather than the board of the pension fund, to provide for the annual verification of the fund's assets. Deletes language authorizing the Department of Insurance to hire professionals to examine pension funds, with the expenses to be borne by the funds. Deletes language authorizing a

pension fund to register its investments in the nominee name of an appointed investment adviser and to appoint an investment adviser to be custodian of its investments.

Restores language permitting the Department of Insurance to hire examiners. Allows the Department to charge the cost of those examiners to the pension fund being examined, except in the case of downstate police and fire funds. Deletes the requirement that downstate police and fire funds be examined at least once every 2 years. Changes the Section on illegal investments to add a list of circumstances exonerating securities dealers, salespersons, and investment advisers who engage in prohibited investment transactions with pension funds. Provides that the Public Funds Investment Act does not apply to any of the pension funds established under the Illinois Pension Code, except as otherwise specifically provided in that Code. Provides that the provisions of Section 1-113.1 through 1-113.10 of the Pension Code, added by the bill, apply only to pension funds established under Article 3 or 4 of the Code. Provides that the automation implemented by the Public Employee Pension Fund Division must be designed to protect the confidentiality of information relating to identifiable pension fund participants. Adds provisions relating to the custody of securities by a broker-dealer.

PA 90-0065

Amends the State Employee Article of the Pension Code to provide for a new retirement formula of 1.67% per year of service for regular coordinated members and 2.2% per year of service for regular noncoordinated members. Also allows

persons who retire under the alternative (state police) formula to have their benefits based on last-day salary rather than a 48-month average. Increases the required state contribution to the system through FY 2011.

Amends the State Universities Article of the Pension Code to provide for a new retirement formula of 2.2% per year of service. Increases the maximum retirement annuity from 75% to 80% of the final rate of earnings. For persons who retire after 1997 and before 2003, allows retirement at any age with a specified amount of service (between 30 and 35 years).

Amends the State Employees Group Insurance Act of 1971 to require that certain new annuitants and survivors of the State Employees' Retirement System and the State Universities Retirement System make contributions toward the cost of their basic group health insurance. Requires the Executive Secretary of SERS to verify health care premiums

Amends the State Finance Act to provide that State employees shall not be entitled to compensation for unused sick leave accumulated on or after January 1, 1998. Effective immediately.

Changes language relating to review of state employee group health plan premiums by the Executive Secretary of the State Employees' Retirement System.

Amends the State Universities Article of the Pension Code. Increases the system's authority to issue bonds, allowing up to \$20,000,000 to be outstanding at any one time. Limits existing benefits by: (i) excluding certain earnings after June 30, 1997 from the calculation of the final rate

of earnings; (ii) imposing additional requirements on return to service following a leave of absence; (iii) requiring a return to service within one year after discharge in order to obtain credit for military service; (iv) removing a provision allowing beneficiaries to elect to receive death benefits in multiple payments; and (v) limiting credit for unused sick leave. (Article 13, Section 5 of the Illinois Constitution may prevent these limitations from applying to certain current or former members.) Changes the definition of "effective rate of interest" by adding additional factors to be included in determining the rate, including the desirability of minimizing volatility in the rate from year to year; states that the change is a clarification of existing law.

Changes provisions relating to the calculation of interest when purchasing military service credit. Grants the Secretary of the Board the power to issue subpoenas. Allows annuitants and beneficiaries to authorize withholding from their annuities and benefits. Allows the system to pay benefits to the trustee of a trust created for the benefit of a minor or person under legal disability; provides that the system is not responsible for determining the validity of the trust and must conclusively rely on the representations of the trustee. Extends the deadline for early retirement without discount to September 1, 2002. Allows a person formerly employed by the University of Illinois athletic association to become a participant. Also makes technical changes.

PA 90-0032

Amends the State Employee Article of the Illinois Pension Code to provide the alternative (State Police) formula for arson investigators employed by the Office of the State Fire Marshal. Effective immediately.

Amends the Illinois Pension Code. Amends the Downstate Firefighter Article. Provides an annual increase in the benefit for dependent children of firefighters receiving duty or occupational disability benefits. Preserves benefits for a firefighter's child who is adopted by another person after the death of the firefighter. In the Illinois Municipal Retirement Fund Article, provides an optional plan of additional benefits and contributions for elected county officers and their survivors. Also makes the early retirement program available to employees of municipalities and removes the 5-year limitation. In the Chicago Police, Firefighter, Municipal, and Laborer Articles, extends the annuitant health insurance plan through December 31, 2002. Makes numerous changes relating to participation in and financing of the plan. In the **Chicago Municipal and Laborer** Articles, increases the minimum retirement annuity.

Provides for retirement at age 50 with 30 years of service. Eliminates the age discount for employee who retire at age 55 with 25 years of services. Increases the minimum widow's annuity and allows certain widows to elect to receive 50% of the deceased employee's retirement annuity instead of a widow's annuity. Increases the child's annuity and removes the combined family maximum for certain persons currently eligible for child's annuities.

In the **Cook County Article**, changes the population limit for establishing a pension fund under that Article from

500,000 to 3,000,000. Compounds the automatic annual increase for retirement annuitants and provides a 3% noncompounded annual increase for surviving spouses. Extends the expiration of the program of optional contributions until July 1, 2002. Allows members of the Cook County police department to transfer credits from the Chicago police pension fund to the Cook County pension fund until July 1, 1998.

Provides for a program of early retirement incentives; also applies to the **Cook County Forest Preserve District pension fund**. Allows certain persons employed by the Chicago Transit Authority to participate in the Cook County pension fund. Allows these persons to have their Cook County benefits based on their CTA salaries; to purchase Cook County credit for their past CTA service without paying any employer contribution or interest; and to buy up to 4 additional years of Cook County credit for active or reserve military service.

Amends the State Employee Article. Allows state employees to establish service credit for up to 8 years of certain federal or out-of-state employment. Allows alternative formula employees to establish service credit for certain time spent as a law enforcement or corrections officer employed by the federal government or a state or local government located outside of Illinois. Requires payment of both employee and employer contributions plus interest. Allows purchase of service credit for certain periods of authorized leave of absence not exceeding one year. Allows controlled substance inspectors to transfer credits from downstate police pension funds and the Illinois Municipal Retirement Fund to the State Employees' Retirement System.

Provides the alternative (State Police) formula for arson investigators employed by the Office of the State Fire Marshal. Allows a former arson investigator who is no longer in service but not yet receiving a retirement annuity to convert his or her creditable service for service as an arson investigator into eligible creditable service by paying the difference in contributions. Allows a security employee of the Department of Corrections to reinstate service credit in a downstate police pension fund and transfer that credit to the State Employees Retirement System. **Amends the State Universities Article.** Authorizes participating employees to make contributions for the purchase of service credit. Authorizes pickup of optional contributions by the employer for federal tax purposes. **Amends the Downstate Teacher Article.** Allows credit to be established for certain periods during which a current or former teacher ceased employment for the purpose of adopting an infant or caring for a newly adopted infant.

Accelerates the payment of a survivor's benefit for certain surviving spouses between ages 50 and 55. **Amends the Chicago Teacher Article of the Illinois Pension Code.** Allows the employer to extend the early retirement without discount program until June 30, 2000. Allows retroactive application to July 1, 1995, subject to the approval of the employer. **Amends the State Mandates Act** to require implementation without reimbursement. Effective immediately.

Amends the Chicago Teacher Article of the Illinois Pension Code. Clarifies that pensioners may return to temporary teaching in the city for up to 100 days per year (not 75) without loss of pension benefits; makes this change retroactive to

August 23, 1989. Restores full payment of the retirement annuity for certain reversionary annuities elected before January 1, 1984 where the beneficiary has predeceased the retiree. Requires filing of a claim with the Industrial Commission before applying for a duty disability benefit. Also makes other changes.

PA 90-0551

Amends the Chicago Police Article of the Pension Code. Changes the definition of salary to include duty availability allowance payments. **Amends the State Mandates Act** to require implementation without reimbursement. Effective immediately.

PA 90-0019

Amends the Illinois Pension Code. Amends the General Provisions Article to make the provisions relating to federal limitations under Section 415 of the U. S. Internal Revenue Code apply to all retirement systems subject to the Pension Code. Permits each retirement system to define its own Section 415 limitation year. Requires all public employee pension funds to comply with the requirements imposed on them by the federal Uniformed Services Employment and Preemployment Rights Act. **Amends the State Board of Investment Article, the State Universities Article, and the Downstate and Chicago Teacher Articles** to require that investments be carried at cost or a value determined in accordance with generally accepted accounting principles. Also removes the 50% investment limitation on equity investments by the Chicago Teachers pension fund.

Amends the State Board of Investment Article to remove the requirement that a

bank or trust company used for the registration of securities be domiciled in Illinois. Effective immediately.

PA 90-0548

Amends the Chicago Teachers Article of the Illinois Pension Code. Changes the fiscal and school year to the period beginning on the 1st day of July and ending on the 30th day of June. Provides that revenues for the Public School Teachers' Pension and Retirement Fund shall include employer contributions. Provides for State satisfaction of deficiencies in the Fund for the fiscal year of the board of education ending in calendar year 1997. Provides that contributions by the State to or for the benefit of the Fund shall be a credit against contributions required of the Board of Education. **Amends the School Code** to provide for the direct payment of State contributions to the Fund and makes numerous other changes to the School Code.

PA 90-0012

Amends the Metropolitan Water Reclamation District Article of the Pension Code. Extends the deadline for early retirement without discount; changes the eligibility requirements and method of calculating the required contributions. Extends the deadline for participating in the optional plan of additional contributions; limits the maximum optional benefit that may be purchased under the plan during its final 5 years and prohibits participation by persons who first enter service after June 30, 1997. For new employees only, raises the minimum retirement age from 50 to 55 and eliminates duty and ordinary disability benefits for the first 3 days of

compensable disability if the disability does not extend for at least 11 additional days.

Eliminates the duty disability benefit for children. Grants automatic annual increases to certain persons who retired before July 1, 1985. Imposes additional eligibility requirements for disability and survivor benefits. Applies an age discount to the minimum surviving spouse benefit. Changes the definitions of salary and final average salary. Changes the salary used in the calculation of alternative benefits for district commissioners. Changes the conditions for payment of contributions for leaves of absence. Provides that future appointees to the Civil Service Board of the District shall not be deemed to be employees of the District for purposes of qualifying to participate in the fund. Removes certain age restrictions from the provisions relating to the period during which disability benefits may be received. Makes other changes in the manner of administering the fund. Also **amends the General Provisions Article** to authorize the Metropolitan Water Reclamation District pension fund to invest up to 50% (rather than 40%) of its assets in stocks and convertible debt instruments. Declares that the bill accommodates a request from the affected unit of local government. Effective immediately.

PA 90-0460

Amends the Illinois Pension Code to allow active members to transfer credits between downstate police pension funds. Requires payment of any resulting additional cost to the fund. Allows a person with less than 8 years of creditable service to receive a retirement pension from a police pension fund, if the person has at least 8 years of credit in another police pension fund and is receiving a

retirement pension. Allows reinstatement of service terminated by refund. Allows chiefs who have elected to participate in IMRF to rescind that election until January 1, 1999, and to transfer certain credits back to the police pension fund.

Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

Changes the provisions relating to the calculation and payment of the additional contribution that may be required upon transfer of creditable service. Prohibits the transfer of creditable service from the pension fund established by the municipality that was the officer's first police employer unless (i) the police officer actively served in the police department of that municipality for at least 4 years or (ii) the police officer is not in service with that employer on or after the effective date of this amendatory Act.

Restricts transfer from pension funds in which the applicant has less than 2 years of active service credit. Unless the applicant was laid off or completed all service before the effective date.

Amends the Cook County Article of the Pension Code to extend the expiration of the program of optional contributions until July 1, 2002.

PA 90-0566

Amends the Chicago Teacher Article of the Illinois Pension Code. Makes numerous changes in style and nomenclature. Resolves multiple amendments of Section 17-116.1, relating to the early retirement without discount program. Makes other changes.

PA 90-0014

Creates the Second 1997 General Revisory Act. Combines multiple versions of Sections amended by more than one Public Act. Renumbers Sections of various Acts to eliminate duplication. Corrects obsolete citations and technical errors. Makes stylistic changes. Effective immediately.

Replaces everything after the enacting clause. Creates the First 1998 General Revisory Act. Combined multiple versions of Sections amended by more than one Public Act. Renumbers Sections of various Acts to eliminate duplication. Corrects obsolete citations and technical errors. Makes stylistic changes. Effective July 1, 1998.

Creates the First 1997 General Revisory Act. Combines multiple versions of Sections amended by more than one Public Act. Renumbers Sections of various Acts to eliminate duplication. Corrects obsolete citations and technical errors. Makes stylistic changes. Effective July 1, 1997.

PA 90-0731

Amends the Illinois Marriage and Dissolution of Marriage Act. Changes some of the requirements that must be met by parties seeking a joint simplified dissolution. Requires that the duration of the marriage does not exceed 8 (rather than 5) years, that the total fair market value of all marital property after deducting all encumbrances is less than \$10,000 (rather than \$5,000), and that the parties' combined gross annualized income is less than \$35,000 (rather than \$25,000). Adds a requirement that neither party has a gross annualized income in excess of

\$20,000. Effective July 1, 1999, or 6 months after becoming law, whichever is later.

Amends the General Provisions Article of the Pension Code to provide for the issuance of Qualified Illinois Domestic Relations Orders (QILDRO's). Provides for a former spouse designated in a QILDRO to receive all or a specified portion of the retirement benefit, or member's refund, otherwise payable to a member or the member's beneficiary under the Code. Specifies conditions and procedures. Requires the member's written consent before a QILDRO is effective against a current member.

Amends the Illinois Marriage and Dissolution of Marriage Act. Provides that pension benefits become marital property. Includes provisions for valuing pension benefits as marital property and other provisions. Provisions added by this amendment are effective July 1, 1998.

PA 90-0511

Amends the General Provisions Article of the Pension Code to require that pension funds subject to the investment restrictions of Section 1-113 carry their investments at cost or at a value determined in accordance with generally accepted accounting principles and accounting procedures approved by the board. Expands the authority of the Cook County pension fund to invest in securities of foreign and domestic corporations.

Amends the State Employee Article. Allows a person who rendered contractual services to a member of the General Assembly as a worker providing constituent services to persons in the member's district to establish creditable service for up to 8 years of those contractual services.

Allows participation by employees of the Illinois Development Finance Authority, Authorizes purchase of credit for prior service with the Authority or its predecessor agency; requires the applicant to pay both employee and employer contributions plus interest. Allows certain former members of the General Assembly staff to transfer credits from the State Employees' Retirement System to the Cook County pension fund.

Amends the Chicago Police Article of the Pension Code to extend the parent's annuity to parents of police officers who died before August 9, 1996.

Amends the Cook County Article of the Pensions Code to allow a member of the General Assembly to establish service credit for up to 24 months during each of which he or she worked for at least one but fewer than 15 days, by purchasing service credit for the number of days needed to bring the total of days worked up to 15. Requires payment of both employee and employer contributions plus interest.

Amends the Chicago Municipal and Laborer Articles of the Pension Code. Increases the minimum retirement annuity. Provides for retirement at age 50 with 30 years of service. Eliminates the age discount for employees who retire at age 55 with 25 years of service. Increases the minimum widow's annuity and allows certain widows to elect to receive 50% of the deceased employee's retirement annuity instead of a widow's annuity. Increases the child's annuity and removes the combined family maximum for certain persons currently eligible for child's annuities. Removes the maximum dollar amount limitation on widow's annuities for widows of employees who died before

January 23, 1987; requires repayment of any refund of excess widow's annuity contributions, plus interest. Allows certain periods for which contributions have been paid to be counted as service for ordinary disability purposes.

Provides a program of early retirement incentives for employees who retire on or before July 2, 1998. Makes other changes.

Amends the State Universities Article of the Pension Code. Increases the system's authority to issue bonds, allowing up to \$20,000,000 to be outstanding at any one time. Limits existing benefits by: (i) excluding certain earnings after June 30, 1997 from the calculation of the final rate of earnings; (ii) imposing additional requirements on return to service following a leave of absence; (iii) requiring a return to service within one year after discharge in order to obtain credit for military service; (iv) removing a provision allowing beneficiaries to elect to receive death benefits in multiple payments; and (v) limiting credit for unused sick leave. (Article 13, Section 5 of the Illinois Constitution may prevent these limitations from applying to certain current or former members.)

Changes the definition of "effective rate of interest" by adding additional factors to be included in determining the rate, including the desirability of minimizing volatility in the rate from year to year; states that the change is a clarification of existing law. Changes provisions relating to the calculation of interest when purchasing military service credit. Grants the Secretary of the Board the power to issue subpoenas. Allows annuitants and beneficiaries to authorize withholding from their annuities and benefits. Allows the system to pay benefits to the trustee of a

trust created for the benefit of a minor or person under legal disability; provides that the system is not responsible for determining the validity of the trust and must conclusively rely on the representations of the trustee.

Extends the deadline for early retirement without discount to September 1, 2002. Allows a person formerly employed by the University of Illinois athletic association to become a participant. Allows certain university firefighters and police officers to have their benefits based on their salary on the last day of service as a firefighter or police officer. Also makes technical changes.

Amends the Downstate Teacher Article of the Pension Code to allow trustees to hold non-elected State office. **Amends the Illinois Municipal Retirement Fund (IMRF) Article** to provide that employees of the governing board of the Special Education District of Lake County must begin participating in the Fund as of July 1, 1997. Provides that current employees shall receive free credit for up to 5 years of their prior service with that employer, but employee contributions must be paid in order to receive credit for the remainder of that prior service. Provides that the school districts participating in a special education joint agreement created under Section 10-22.31 of the School Code that is a participating instrumentality may include their proportionate share of the employer contribution for current or prior service in the districts' IMRF tax levy.

Also **Amends the Property Tax Extension Limitation Law** to exclude from the aggregate extension any amounts levied by school districts that participate in the Special Education District of Lake

County to pay for their share of the District's IMRF costs.

Amends the Downstate Teacher Article to extend to January 1, 1998, the deadline for certain surviving spouses who were married for at least 12 months, but not the 12 months immediately preceding the member's death, to apply for benefits as a dependent beneficiary.

Amends the Illinois Pension Code to allow employees of the Board of Public Accounting Examiners to participate in the State Universities Retirement System. **Amends the State Employees Group Insurance Act of 1971** to provide health benefits for those employees.

Amends the State Mandates Act to require implementation without reimbursement.

PA 90-0766

Amends the Illinois Pension Code. Makes technical changes in a Section of the Chicago Municipal Article relating to contributions.

Amends the General Assembly Article of the Pension Code. Allows a participant with no eligible survivor's annuity beneficiaries to elect to cease making contributions for survivor's annuity and to receive a refund of contributions already paid for that purpose. Provides that no survivor's annuity is payable upon the death of a person who has made this election unless the unpaid and refunded contributions are repaid to the System, with 4% interest. Removes the age 50 limitation for certain surviving spouses who have in their care a child who is not the child of the deceased member.

Amends the Downstate Police Article to provide an occupational disease disability benefit for certain police officers who also have firefighting duties and become disabled by heart disease, respiratory disease, or certain cancers and for their dependent children and survivors.

Amends the Chicago Police Article of the Pension Code. Increases the minimum widow's annuity from \$700 to \$800 per month. Increases the earnings limitation for persons receiving disability benefits from 100% to 150% of salary. Provides that the City shall pay the required employee contributions for periods during which a policeman receives an occupational disease disability benefit. Inserts references to occupational disease disability benefits to certain Sections relating to proof of eligibility and the duty disability reserve.

Amends the Chicago Firefighter Article of the Pension Code. Beginning January 1, 1997, increases the minimum widow's annuity to \$800 per month for surviving spouses of persons who retire at age 50 with at least 20 years of service. Also requires the City to make an additional annual contribution to the Fire and Police Funds during the years 1999 through 2013, to reduce the unfunded liability of those Funds.

Amends the Chicago Municipal and Laborer Article of the Pension Code. Compounds the 3% automatic annual increase in retirement pension. Provides a new minimum retirement annuity for persons retiring at age 60 with at least 10 year of service. Reduces the tax multiplier. Changes the minimum age for an undercounted widow's annuity from 55 to 50 for widows of certain employees who die on or after January 1, 1998 at age 50

or over with at least 30 years of service or at age 55 or over with at least 25 years of service. Provides that a child's annuity may be payable upon the death of an employee who withdraws from service after June 27, 1997 and after age 50 with at least 30 years of service (currently withdrawal) after age 55 is required). Changes the conditions relating to reversionary annuities. Provides a minimum widow's annuity of \$800 per month for certain surviving spouses. Provides a minimum retirement annuity of \$850 per month for certain annuitants. In the **Chicago Municipal Article**, adds provisions allowing the withholding of labor organization dues from annuities and requiring the City and the Fund to cooperate with labor organizations in preparing mailings to certain annuitants. Also allows the purchase of service credit for service rendered to the Public Building Commission. Allows a person purchasing that credit to reinstate credits terminated by refund, without a return to service. In the **Chicago Laborer Article**, adds three additional persons to the Board; one elected annuitant member, one employee appointed by the civil service commission, and one employee appointed by the president of the predominant local labor organization.

Amends the Illinois Municipal Retirement Fund Article. Allows a retiring employee who is entitled to a refund of surviving spouse contributions or excess SLEP (sheriff's law enforcement employee) contributions to elect to receive a separate annuity instead of a refund. Provides that periods of qualified leave granted in compliance with the federal Family and Medical Leave Act shall be ignored for purposes of determining eligibility for disability benefits. Allows an employee to

make payment of optional contributions through tax-deferred payroll deductions.

Amends the Chicago Park District Article. For persons with at least 30 years of service, removes the requirement that the person must attain age 60 before beginning to receive the automatic annual increase in retirement annuity. Provides an early retirement program for certain employees who withdraw from service on or after August 31, 1998, and no later than December 31, 1998. Allows the retiree to establish up to 5 years of additional service credit; requires an additional employee contribution. Also expands the investment authority of the Board.

Amends the State Employee Article of the Code. Changes the method of calculating interest when purchasing service credit for certain periods spent on leave of absence. Allows a member to establish creditable service for up to one year of participation in the Illinois Legislative Staff Internship Program. Changes the deadline for applying for certain federal and out-of-state optional service credit to June 30, 1999. In the General Assembly, Judges, and State Employee Articles, with respect to the deadline for payment of optional contributions, provides that timely execution of an irrevocable election to have the contributions picked up by the employer and paid by payroll deduction is sufficient for compliance with the deadline, provided that the contributions are in fact paid to the system as provided in the election.

Amends the State Universities Article. Makes numerous changes in relation to the implementation and administration of the optional retirement

program (renamed the self-managed plan) and the portable benefit package.

Makes participants in the self-managed plan eligible for certain benefits under the **Retirement Systems Reciprocal Act.** Provides that for a police officer or firefighter who retires on or after the effective date and receives a money-purchase annuity calculated under Rule 2, the additional normal contributions required to be paid by police officers and firefighters shall be included in the calculation of the annuity rather than refunded to the annuitant.

Provides that the Board, rather than physicians and the employer, shall determine disability. Provides that the Board may consider hospital records, laboratory test results, and other information to determine the employment capacity and condition of the claimant. Reduces from 2 to one the minimum number of physician certificates that the claimant must provide. Requires the System to pay for the cost of any additional medical examination or other additional requirement imposed on a particular disability benefit claimant that is not imposed generally on all disability benefit claimants. Accelerates by one year the 7% automatic increase in disability benefit for persons whose benefit was granted on the first day of January.

Specifies that a participant in the optional retirement program is ineligible to receive a disability retirement annuity. Also specifies that required age 70 ½ distributions are payable regardless of whether an application has been filed, and delays those required distributions for one year in the case of persons turning age 70 ½ before April 1 of a calendar year. Provides that the System need not make

an involuntary age 70 ½ distribution to a person who is employed under any retirement system that participates in the Retirement Systems Reciprocal Act. Provides that a past participant who is employed by a State or national teacher organization may elect to participate in the System and may purchase service credit for certain prior employment in that capacity.

Amends the Judges Article of the Pension Code to allow an unmarried participant to receive a refund of contributions for survivor's annuity.

Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

PA 90-0582

Amends the Downstate Teacher Article of the Pension Code. Increases the retirement formula to 2.2% of final average salary for each year of service earned after June 30, 1998. Allows members to elect to have the new rate apply to their existing service, by making an additional contribution. Also raises the rate to 2.3% for certain members who already have 30 years of service. Beginning July 1, 1998, requires school districts and other employers to make an employer contribution to the system. Increases the employee contribution by 0.85% of salary, but provides for a refund of the increase in certain cases.

Amends the State Employees Group Insurance Act of 1971. Requires certain retired state employees who participate in the Teachers' Retirement System and have less than 20 years of service (and their survivors) to pay for a portion of the cost of their group insurance. In certain

definitions relating to eligibility to participate in the State group insurance program, updates obsolete cross references to certain state employees who participate in the Teachers' Retirement System and adds to those references certain employees of that System.

Amends the Chicago Teacher Article of the Pension Code. Increases the retirement formula to 2.2% of final average salary for each year of service earned after June 30, 1998. Allows members to elect to have the new rate apply to their existing service, by making an additional contribution. Also raises the rate to 2.3% for certain members who already have 30 years of service. Beginning July 1, 1998, requires employers of teachers and the state to make additional employer contributions to the Fund, except in years in which the Fund is at least 90% funded. Increases the employee contribution by 0.85% of salary, but provides for a refund of the increase in certain cases.

Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

PA 90-0525

Amends the General Provisions Article of the Illinois Pension Code. In the section on investment authority, makes a technical change. Effective immediately.

Amends Article 22, Division 3 of the Illinois Pension Code in relation to benefits for an injured policeman or fireman. Deletes provisions limiting statutory rights to recover damages. Provides that nothing in Division 3 relieves any municipality with a population under 500,000 of its duties under the Workers' Compensation Act or the Workers'

Occupational Diseases Act or prevents any policeman or fireman in a municipality with a population under 500,000 from recovery under those Acts. Effective immediately

PA 90-0812

Amends the Local Government Debt Reform Act, the Property Tax Code, the Illinois Pension Code, the Illinois Municipal Code, and the Public Library District Act of 1991. Requires notice of certain referenda to be given at least 10 and not more than 45 days before the date of an election.

PA 90-0448

Amends the Downstate Teacher Article of the Pension Code. Removes absolute provisions relating to the transfer of credit to the General Assembly Retirement System.

Amends the State Salary and Annuity Withholding Act and the Illinois Pension Code to authorize voluntary withholding from retirement and disability annuities payable from the State Universities Retirement System. Authorizes withholding under the State Salary and Annuity Withholding Act for the purpose of paying to the Department of Revenue amounts due or to become due under the Illinois Income Tax Act. Provides that the amounts withheld shall be paid without delay to the Department of Revenue or a depository designated by the Department. Also authorizes withholding for payment of optional contributions to public employee retirement systems. For participants in the General Assembly, State Employee, Universities, and Judges Retirement Systems, authorizes pickup of optional contributions by the employer for federal tax purposes. **Amends the Illinois**

Income Tax Act to provide that an individual may elect to have the amounts withheld under the State Salary and Annuity withholding Act for payment of amounts due or to become due under the Illinois Income Tax Act treated as payments of estimated tax.

Amends the General Assembly Article of the Illinois Pension Code to allow a refund of excess contributions to be paid to a beneficiary designated by the member's surviving spouse.

Amends the State Employee Article to authorize the Board to adopt rules governing the repayment of refunds and establishment of credits in cases involving awards of back pay or reinstatement. Provides that the rules may authorize repayment of a refund in installment payments and may waive the payment of interest on refund amounts repaid in full within a specified period. Specifies that members of certain professional licensing and disciplinary boards who are compensated on a per-diem basis do not participate in the system. Removes the requirement that certain security employees of the Department of Corrections or Human Services must be employed full-time in order to qualify for their special retirement formula.

Amends the Social Security Enabling Act Article to abolish the Social Security Contribution Fund at the close of business on June 30, 1997. Deletes obsolete references to the Fund. Transfers any remaining balance into the Social Security Administration Fund. Effective immediately.

Amends the State Employees Group Insurance Act of 1971 in relation to health benefits for retired teachers. Eliminates

coverage of certain dependent students who are age 23. Makes changes relating to the required contribution for annuitant health benefits that must be paid by persons establishing certain optional service credits in the Teachers' Retirement System.

Amends the Downstate Teacher Article of the Pension Code. Permits the secretary of the board to issue subpoenas. Permits the board to adopt rules affecting the repayment of refunds, the purchase of optional service credits, the acceptance of partial payments, and the calculation of interest. Specifies that certain employee contributions that accrue during periods of disability are not refundable. Makes changes in provisions governing the valuation of the system's investments. Removes the requirement that the president of the board approve all vouchers. Changes certain requirements relating to educational employers.

Amends the State Employee, State Universities, and Downstate Teacher Articles to extend certain survivor benefits to children who are unmarried full-time students under age 22.

Amends the Chicago Teacher Article of the Pension Code to provide for participation by certain labor organization employees who do not receive special leaves of absence for that employment. Allows those employees to repay refunds and establish credit for prior service in that capacity. Allows purchase of these optional credits by direct rollover of money from other qualified retirement plans.

Amends the Downstate Teacher Article of the Pension Code to remove the deadline by which certain labor organization employees may elect to

participate in the system. Allows participation by certain officers of national teacher organizations. Effective immediately.

Amends the Illinois Municipal Retirement Fund (IMRF) Article of the Pension Code. Waives the 50-month limit on establishing credit for certain past service for current and former county board members, subject to approval of the affected county board. **Amends the State Mandates Act** to require implementation without reimbursement.

Amends the Judges Article of the Illinois Pension Code. Allows a judge to purchase up to 2 years of service credit for a period spent as an elected member of a board of education or the board of trustees of a community college district in this State.

Amends the State Employees Article of the Illinois Pension Code to allow persons who have worked on a contractual basis in the district office of a member of the General Assembly to purchase service credit for up to 3 years of that work. Requires application by March 1, 1998. Effective immediately.

Amends the Chicago Teacher Article of the Illinois Pension Code to extend the deadline for early retirement without discount from June 30, 1995 to June 30, 2005; applies retroactively to persons who have retired since June 30, 1995. **Amends the State Mandates Act** to require implementation without reimbursement.

Amends the Illinois Municipal Retirement Fund (IMRF) Article of the Pension Code. Allows members to receive up to 24 months of credit for military service not preceded by employment upon payment of the corresponding employee

and employer contributions; requires employer approval. Allows all credit for military service or a leave of absence established by a sheriff's enforcement employee to be deemed credit in that capacity. Allows an inactive member to designate a death benefit beneficiary. Changes certain obsolete references to educational service regions. Restores the availability of reversionary annuities. Authorizes the fund to offer deferred compensation and tax-deferred annuity programs to its members. Requires an employee contribution for certain prior service credits granted to employees of entities that begin participating in the fund after January 1, 1998. Also makes technical changes.

Amends the State Universities Article of the Illinois Pension Code to provide for another optional retirement program.

Amends the State Employees Group Insurance Act to make changes in definitions. Also makes other changes. **Amends the State Pension Funds Continuing Appropriation Act** to make a change in the continuing appropriation for the State Universities Retirement System.

Amends the Downstate Teacher Article of the Pension Code. Provides that benefits payable to an eligible child shall terminate when the eligible child marries, dies, or attains age 18 (age 22 if a full-time student); except that benefits payable to a dependent disabled eligible child shall terminate only when the child dies or ceases to be disabled. Changes two references to school districts to conform them to the other changes made by the bill. Authorizes employer pickup of optional contributions paid by payroll deduction.

PA 90-0009

Amends the State Universities Article of the Pension Code. Requires the system's actuary to report on the savings, if any, resulting from the Optional Retirement Program established under Section 15-158.2. Also requires DCMS to report on group insurance savings and requires IBHE to report on sick-leave savings. Requires the Pension Laws Commission to consider these reports when recommending any legislation that extends the period during which a participant may retire at any age with 30 years of service.

Amends the Illinois Administrative Procedure Act to authorize adoption of emergency rules for implementation of the FY1998 budget; excludes these rules from the 24-month limitation and certain other requirements. Also excludes hearing officers employed by the Department of Human Services from certain provisions relating to contested cases and licensing. Effective July 1, 1997.

PA 90-0576

Amends the Illinois Pension Code. Provides that upon elimination of the University of Illinois Fire Department, its firefighters may continue to participate in the State Universities Retirement System and earn firefighter service credit so long as they are continuously employed (i) in any capacity by the University of Illinois or (ii) as firefighters by the City of Champaign or the City of Urbana, in which case the city is obligated to make employer contributions to the System.

Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

PA 91-0017

Amends the Downstate Teacher Article of the Pension Code. Reduces the contribution required for certain persons to receive the augmented 2.2% retirement annuity rate. Changes the provision establishing the 2.3% unaugmented rate for certain persons having at least 30 years of service, to bring the provision into conformance with constitutional nonimpairment requirements. Extends the early retirement without discount option to 2005 and makes changes relating to the employer contribution under that option. Effective immediately.

Amends the Chicago Teacher Article of the Pension Code. Reduces the contribution required for certain persons to receive the augmented 2.2% retirement annuity rate. Extends the early retirement without discount option to 2005, subject to approval by the employer, and makes changes relating to the employee and employer contributions under that option. **Amends the State Mandates Act** to require implementation without reimbursement.

PA 91-0197

Amends the State Employees Group Insurance Act of 1971 and the Illinois Pension Code to allow certain participants in the State Universities Retirement System to elect to forgo certain changes in the retirement annuity formula made by Public Act 90-65 and thereby avoid the additional cost of group health insurance imposed under that Public Act. Eliminates provisions relating to "new SURS retired employees". Effective immediately.

Amends the Illinois Act on the Aging, the Civil Administrative Code of Illinois, the Center for Business Ownership Succession and Employee Ownership Act, the Illinois Coal and Energy Development Bond Act, the State Finance Act, the Anti-Pollution Bond Act, the Illinois Pension Code, the School Code, the Higher Education Student Assistance Act, the Recycled Newsprint Use Act, the Illinois Fertilizer Act of 1961, the Whistleblower Reward and Protection Act, the Baccalaureate Assistant Law for Registered Nurses, the Dental Student Grant Act, and the Hospital Licensing Act. Incorporates a 1993 executive order reorganizing divisions within the Department of State Police and changes administration of firearm registration and dental record repository. Permits designees to serve on the Department on Aging's coordinating committee. Changes the deadline for a Department of Human Services and Department on Aging joint service report. Includes certain cost of the Fertilizer Research and Education Program within the authorized uses of the Fertilizer Control Fund and makes changes concerning the Department's share of the Fund. Removes the minimum physical education course requirement for teacher training. Eliminates the following state agency programs, advisory groups, reports, and duties: Department of Commerce and Community Affairs' intergovernmental personal exchange, local government bond issuance assistance, use of certain funds for projects approved by the Illinois Energy Resources Commission, and newsprint consumer usage report; Department of Public Health's reports on hepatitis research and health hazards caused by inadequate sewage treatment facilities, grants to rural obstetricians, inspections and exams for certain institutions and

schools, and establishment of standards for certain mental health facilities; State University Retirement System employers' submission of additional certified copies of payrolls; the Nurse Scholarship and Baccalaureate Nursing Assistance Advisory Council; the Advisory Committee for Dental Student Assistance Grants; and the Advisory Task Force on Business Ownership Succession and Employee Ownership. Effective January 1, 2000.

Deletes all provisions from the bill except those pertaining to the Department of Commerce and Community Affairs. As amended, the bill does the following: eliminates the Department's intergovernmental personnel exchange; eliminates the Advisory Task Force for the Department's Center for Business Ownership Succession and Employee Ownership; provides that the Department (rather than the Department and the Illinois Energy Resources Commission) has authority to use \$120,000,000 for purposes specified in the Illinois Coal and Energy Development Bond Act; and eliminates the Department's required annual report under the Recycled Newsprint Use Act. Effective January 1, 2000.

PA 91-0057

Amends the Downstate Police Article of the Illinois Pensions Code. Incrementally increases the minimum disability, survivor, and retirement pensions to \$1000 per month.

Amends the Downstate Firefighter Article of the Illinois Pension Code. Increases the pension formula from 2% to 2.5% of salary for the 21st through 30th year of service. Increases the required employee contribution by a total of 0.205% of salary. Allows firefighters to obtain

service credit for a period of up to 3 years spent on duty or occupational disability; requires a return to service for an equivalent period and payment of employee contributions before retirement. With respect to occupational disability caused by certain cancers, provides that the cancer must (and is rebuttably presumed to) arise as a result of employment as a firefighter. Provides for calculation of the initial automatic annual increase in retirement pension on a monthly (rather than annual) basis. Incrementally increases the minimum disability, survivor, and retirement pension to \$1000 per month. Increases the duty disability and occupational disability benefit to not less than 100% of the retirement pension for which the firefighter is eligible. Provides that the pension of the surviving spouse of a firefighter who dies in the line of duty after 1993 shall not be less than 100% of the salary attached to the rank held by the deceased firefighter on the last day of service. Provides an occupational disability benefit for stroke. **Amends the State Mandates Act** to require implementation without reimbursement. Effective immediately.

Amends the Local Government Debt Reform Act, Property Tax Code, Illinois Pension Code, Illinois Municipal Code, Public Library District Act of 1991, and the School Code. Provides that the notice provisions for bond referendums apply only to elections held before July 1, 1999 and that thereafter the notice shall be according to the Election Code. Effective immediately.

STATE FINANCED SYSTEMS

Current Service Cost and Method of Financing

<u>Name of System</u>	EMPLOYEE CONTRIBUTIONS			<u>Employer Share of Normal Cost</u>	<u>Statutory Rate of Interest</u>	<u>Source of Employer Funds</u>
	<u>Maximum Salary Measure</u>	<u>Old Age</u>	<u>Spouse & Survivor Annuity</u>			
Judges' Retirement System of Illinois	None	8.5% ¹	2.5%	FY98=21.37%	4.0%	State appropriation
State Universities Retirement System	None ¹⁷	7.0% ²	1.0%	FY95=9.64% FY96=9.24% FY97=8.84% FY98=8.67%	FY95 and FY96=8% FY97=8.5% FY98=9.0%	State appropriation and trust & General funds rates set by Trustees
Teachers' Retirement System of the State of Illinois	None ¹⁷	until 6/30/98 7.0% ² Begin 7/1/98 8.0% ²	1.0%	FY97=8.21% FY97=8.21% FY97=8.21%	6.0%	State appropriations, Federal & Trust Funds, and misc. contributions
State Employees' Retirement System of Illinois	None	Retirement System only 7.0 ² With Social Security 3.5% ²	1.0% 0.5%	FY97=5.1% FY98=4.84%	None- 6.5% rate set by trustees	State appropriation
State Employees' Retirement System of Illinois (Alternative Formula)⁵	None	Retirement System only 8.5% ² With Social Security 5.0% ²	1.0% 0.5%	FY97=5.1% FY98=4.84%	None- 6.5% rate set by trustees	State appropriation
General Assembly Retirement System	None	9.5% ¹	2.0%	FY98=21.92%	3.0%	State appropriation

Minimum Age and Service Requirement for Retirement Annuities

<u>Name of System</u>	<u>Age</u>	<u>Service</u>	<u>Compulsory Retirement Age</u>
Judges' Retirement System of Illinois	60	10	None ⁶
	62 ⁷	6 ⁷	
	55	28	
	55 ¹⁶	10 ¹⁶	
State Universities Retirement System	Any Age	35	None
	60	8	
	62	5	
	55 ¹⁶	8 ¹⁶	
	50	25	
Teachers' Retirement System of Illinois	55	20	None
	60 ¹⁶	10 ¹⁶	
	62	5	
State Employees' Retirement System of Illinois	60	8	None
	55 ¹⁶	30 ¹⁶	
	Any age	35	
State Employees' Retirement System of Illinois (Alternative Formula)	50	25	None
	55	20	
General Assembly Retirement System	55	8	None
	62 ⁸	4 ⁸	

Summary of Retirement Annuity Provisions

<u>Name of System</u>	<u>Formula</u>	<u>Basic Rate of Annuity</u>	<u>Maximum Annuity</u>
Judges' Retirement System of Illinois	Fixed Benefit	3.5% for each of first 10 years 5.0% for each year over 10	85%
State Universities Retirement System	Fixed Benefit	As of 1-1-98: Effective 1-1-98 2.2% for all years	80% for all ages Until 6-30-98
Teachers' Retirement System of Illinois	Fixed Benefit	1.67% for each of first 10 years 1.9% for each second 10 years 2.1% for each of third 10 years 2.3% for each year over 30 Beginning 7-1-98: 2.2% ¹⁸	75%
State Employees' Retirement System of Illinois	Fixed Benefit	Retirement System only: 2.2% for end year With Social Security Coverage: 1.67% for end year	75%
State Employees' Retirement System of Illinois (Alternative Formula)	Fixed Benefit	Retirement System only: 2.25% for each a first 10 years 2.5% for each of next 10 years 2.75 for each year over 20 years With Social Security Coverage 1.67% for each of first 10 years 1.9% for each of second 10 years 2.1% for each of third 10 years 2.3% for each year over 30	75%
General Assembly Retirement System	Fixed Benefit	3.0% for each of first 4 years 3.5% for each of next 2 years 4.0% for each of next 2 years 4.5% for each of next 4 years 5.0% for each of next 8 years	85%

Survivor Benefit Provisions

Name of System	Spouse's Annuity	Child's Annuity	Parent's Annuity	Single-Sum Death Benefit
Judges' Retirement System of Illinois	Yes ¹¹	Yes	None	None
State Universities Retirement System	Yes ¹¹	Yes	Yes	Yes
Teachers' Retirement System of the State of Illinois	Yes ¹¹	Yes	Yes	Yes
State Employees' Retirement System of Illinois	Yes ^{11,12}	Yes	Yes	Yes
State Employees' Retirement System of Illinois (Alternative Formula)	Yes ^{11,12}	Yes	Yes	Yes
General Assembly Retirement System	Yes ¹¹	Yes	None	None

Disability Benefit Provisions

Name of System	Occupational	Nonoccupational
Judges' Retirement of System of Illinois	Same as nonoccupational less workers' compensation.	With at least 2 years 50% of salary to end of term. Permanently disabled, at least 10 years credit same as retirement annuity no minimum age
State Universities Retirement System	Temporary - 50% from 61st day less workers' compensation. Permanent - 35% of final salary, payable after maximum 50% disability benefit has been paid.	Same as occupational
Teachers' Retirement System of the State Illinois	Accidental - 60% from 1st day less workers' compensation if applies within first 90 days; otherwise payable from date of application for occ. dis. benefits	Temporary-40% from 31st day or exp. of sick leave, whichever is later; 3 years of service is required. max duration=25% of creditable service. Permanent-35% of final salary at expiration of temporary disability.
State Employees' Retirement System of Illinois	75% from 1st day to age 65 less workers' compensation.	50% from 31st day after 1 1/2 years of service to age 65.
State Employees' Retirement System of Illinois (Alternative Formula)	75% from 1st day to age 65 less workers' compensation.	50% from 31st day after 1 1/2 years of service to age 65
General Assembly Retirement System	Same as retirement annuity-no minimum age less workers'	Same as retirement annuity-no minimum age compensation

ENDNOTES

¹ Includes 1% for automatic increase in pension.

² Includes one-half of 1% for automatic increase in pension.

³ Interest on refunds is limited to 4 1/2% by statute.

⁴ Not refundable.

⁵ For creditable service resulting from service in one or more of the following positions: State policemen; firefighter; air pilot; special agent; investigator for the Secretary of State; conservation police officer; investigator for the Department of Revenue; security employee of the Department of Mental Health and Developmental Disabilities; Central Management Services; security police officer; security employee of the Department of Corrections; dangerous drugs investigator; and investigator for the Department of State Police.

⁶ Provisions covering compulsory retirement of judges are contained in 705 ILCS 55/1, Illinois Revised Statutes.

⁷ For those who terminated service on or after July 1, 1975.

⁸ For those who terminated service after July 1, 1971.

⁹ Payable in full at age 60 or over with at least 10 year of service. Reduced benefits at age 55 with less than 28 years of service of one-half of 1% for each month under age 60.

¹⁰ Payable in full upon retirement at age 60 or over. Reduced one-half of 1% for each month below age 60 down to age 55 unless credited with 35 or more year of service.

¹¹ Surviving spouse.

¹² Reduced by 1/2 amount of Social Security Benefit in case of member covered by Social Security.

¹³ Reduced by the amount of primary disability benefits payable under Social Security in case of member covered by Social Security.

¹⁴ Benefit payable for up to 5 years, if effective after attainment of age 60.

¹⁵ Accumulated sick leave may be used to meet 30 day waiting period.

¹⁶ Retirement annuity reduced 1/2 of 1% for each month under age 60. State Universities member retiring between June 1, 1981 and September 1, 1992 and a Teachers member retiring after June 1, 1980 and before June 30, 2005 and within 6 months of the last day of employment and making a onetime lump sum to the system may receive unreduced annuity with an additional contribution from the employer.

¹⁷ \$150,000 for new hires on or after 7-1-96; \$160,000 on or after 7-1-97. (Same limit still in effect.)

¹⁸ Beginning 5-27-98, members can upgrade service earned under the graduated formula by making a specified optional contributions (1% of pay per year of service; maximum contribution of 20%) and retire under the new 2.2 formula. For members continuing to teach, every three full years worked under the new 2.2 formula reduces the number of years to be upgraded by one year. Other provisions apply.

COOK COUNTY & CHICAGO PENSION FUNDS

CURRENT SERVICE COST AND METHOD OF FINANCING

EMPLOYEE CONTRIBUTIONS

<u>Name of System</u>	<u>Maximum Salary Measure</u>	<u>Old Age</u>	<u>Spouse & Survivor Annuity</u>	<u>Employer Share of Normal Cost</u>	<u>Estimated Statutory Rate of Interest</u>	<u>Source of Employer Funds</u>
<u>COOK COUNTY</u>						
County Employees' and Officers' A&B Fund	None	6.5% ^{1,10}	1.5%	14.69%**	3% ²	Pegged levy ³
Forest Preserve District Employees' A&B Fund	None	6.5% ¹	1.5%	13.25%**	3% ²	Pegged levy ⁴
Metropolitan Water Reclamation District Retirement Fund	None	7.5% ¹	1.5%	18.54%	3% ²	Pegged levy ⁵
** Expressed as a % of salary at the beginning of the year.						
<u>CITY OF CHICAGO</u>						
Policemen's A&B Fund	None	7.0% ¹	1.5%	12.23%	3% ²	Pegged levy ⁶
Firemen's A&B Fund	None	7 5/8% ¹	1.5%	21.24%	3% ²	Tax levy ⁷
Laborers' and Retirement Board Employees' A&B Fund	None	6.5% ¹	1.5%	11.52%	3% ²	Tax levy ⁸
Municipal Employees', Officers' & Officials' A&B Fund	None	6.5% ¹	1.5%	14.26%	3%	Tax levy ⁹
Park Employees' & Retirement Board Employees' A&B Fund	None	7.0% ¹	1.00%	4.09%	7%	Tax levy ¹¹
Public School Teachers' Pension and Retirement Fund of Chicago	None	8.0%	1.0%	9.15	7%	Tax levy State Appropriation

MINIMUM AGE AND SERVICE REQUIREMENT FOR RETIREMENT ANNUITIES

Name of System	Age	Service	Compulsory Retirement Age
<u>COOK COUNTY</u>			
County Employees' and Officers Annuity & Benefit Fund	50	10	None
Forest Preserve District Employees' Annuity and Benefit Fund	50	10	None
Metropolitan Water Reclamation District Retirement Fund	50***	10	None
<u>CITY OF CHICAGO</u>			
Policemen's Annuity & Benefit Fund	50	10	None*
Firemen's Annuity & Benefit Fund	50 ²⁸	10	None
Laborers' and Retirement Board Employees' Annuity & Benefit Fund	55 50	10	None 30
Municipal Employees', Officers' and Officials' Annuity & Benefit Fund	55	10	None
Park Employees' and Retirement Board Employees' Annuity & Benefit Fund	50 60	10 4	None
Public School Teachers' Pension and Pension and Retirement Fund of Chicago	60 55	20**	None

*By resolution of City Council

**Five years service at age 62

***Age 55 for those first hired after 6/13/97

SUMMARY OF RETIREMENT ANNUITY PROVISIONS

<u>Name of System</u>	<u>Basic Formula</u>	<u>Rate of Annuity</u>	<u>Maximum Annuity</u>
<u>COOK COUNTY</u>			
County Employees' and Officers' Annuity & Benefit Fund	Money Purchase & Fixed Benefit	2.2% each of the first 20 years 2.4% each year thereafter ^{13,14,15,16,17,29}	80%
Forest Preserve District Employees' Annuity & Benefit Fund	Money Purchase & Fixed Benefit	2.2% each of the first 20 years 2.4% each year thereafter ^{13,14,15,16,17,29}	80%
Metropolitan Water Reclamation District Retirement Fund	Fixed Benefit	2.2% each of the first 20 years 2.4% each year thereafter ^{30,31,32,33}	80%
<u>CITY OF CHICAGO</u>			
Policemen's Annuity & Benefit Fund	Money Purchase & Fixed Benefit	greater of 2.0% per year of service after 20 years ¹⁸ or Firemen's formula	75%
Firemen's Annuity & Benefit Fund	Money Purchase & Fixed Benefit	50% plus 2% per year or fraction thereof after reaching qualifying service: 1984 - age 52 & 22 years; 1985 - age 51 & 21 years; 1986 and thereafter, age 50 & 20 years. The old formula has been preserved. ^{18,19}	
Laborers' and Retirement Board Employees' Annuity & Benefit Fund	Money Purchase & Fixed Benefit	2.2% per year of service beginning at age 50 with at least 30 years Benefit Fund of service or age 55 with at least 20 years of service ^{12,13,14,15}	75%
Municipal Employees', Officers' and Officials' Annuity & Benefit Fund	Money Purchase & Fixed Benefit	2.2% per year of service with at least 20 years of service ^{13,14,15a}	75%
Park Employees' and Retirement Board Employees Annuity & Benefit Fund	Money Purchase & Fixed Benefit ²⁰	1.9% each of first 10 years 2.2% each of second 10 years 2.4% each of third 10 years 2.8% each year thereafter ^{12,13,14}	80%
Public School Teachers' Pension and Retirement Fund of Chicago	Fixed Benefit	2.2% for each of year ⁱ	Not to exceed (20 years) greater of \$1500 per month or 75% Maximum of 38 years

SURVIVOR BENEFIT PROVISIONS

<u>Name of System</u>	<u>Spouse Annuity</u>	<u>Child Annuity</u>	<u>Parent Annuity</u>	<u>Single-Sum Death Benefit</u>
<u>COOK COUNTY</u>				
County Employees' and Officers' Annuity & Benefit Fund	Yes	Yes	None	\$1,000
Forest Preserve District Employees' Annuity & Benefit Fund	Yes	Yes	None	\$1,000
Metropolitan Water Reclamation District Retirement Fund	Yes	Yes	None	None
<u>CITY OF CHICAGO</u>				
Policemen's Annuity & Benefit Fund	Yes	Yes	Yes	Yes
Firemen's Annuity & Benefit Fund	Yes	Yes	Yes	Yes
Laborers' and Retirement Board Employees' Annuity & Benefit Fund	Yes	Yes	None*	None
Municipal Employees', Officers' and Officials' Annuity & Benefit fund	Yes	Yes	None*	None
Park Employees' and Retirement Board Employees' Annuity & Benefit Fund	Yes	Yes	None	Yes
Public School Teachers' Pension and Retirement Fund of Chicago	Yes	Yes	None	Yes

ⁱ Service prior to 1999-98 school year can be upgraded to the 2.2 pension formula or step rate formula is used.

ⁱⁱ Offset by Workers Compensation payments

ⁱⁱⁱ Change to Service retirement pension at age 65, one year of service credit for each year on duty disability

DISABILITY BENEFIT PROVISIONS

<u>Name of System</u>	<u>Occupational</u>	<u>Nonoccupational</u>
COOK COUNTY		
County Employees' and Officers' Annuity & Benefit Fund	75% duty disability (50% if pre-existing condition prevails)	Temporary-50% from 31st day provided the employee is not then in receipt of salary.
Forest Preserve District Employees' Annuity & Benefit Fund	75% duty disability (50% if pre-existing condition prevails)	Temporary-50% from 31st day provided the employee is not then in receipt of salary.
Metropolitan Water Reclamation District Retirement Fund	75% duty disability (50% if pre-existing condition prevails)	Temporary-50% from 1st day*
CITY OF CHICAGO		
Policemen's Annuity & Benefit Fund	75% duty disability 65% Annuity	Temporary-50% from 1st day
Firemen's Annuity & Benefit Fund	65% Annuity (75% duty disability)	Temporary-50% from 1st day ²⁴
Laborers' and Retirement Board Employees' Annuity & Benefit Fund	75% Annuity ²³	Temporary-50% from 31st day ²²
Municipal Employees', Officers' and Officials' Annuity & Benefit Fund	75% Annuity ²³	Temporary-50% from 31st day ²⁴
Park Employees' and Retirement Board Employees' Annuity & Benefit Fund	75% Annuity	Temporary-45% from 1st day after 8 days of continuous disability
Public School Teachers' Pension and Retirement Fund of Chicago	75% Annuity ⁱⁱ No minimum age ⁱⁱⁱ	Permanent-1 2/3% per year from 10 to 20 years-Service formula after 20 years

*For those first hired after 6/13/97 No pay for the first 3 days unless continuous disability for a minimum of 2 weeks

ENDNOTES

- ¹ Employees of Cook County, Forest Preserve and Chicago Municipal contribute an additional 1/2% as of January 1, 1960; for Laborers' January 1, 1964, of salary toward automatic increase in annuity after retirement; three-eighths of 1% for Chicago firemen, and employers contribute balance of cost. Policemen contribute an additional one-half of 1% salary as of September 1, 1967. The City makes matching contributions. Park Employees contribute 1% of salary toward automatic increase in annuity after retirement with matching contribution by employer. Water Reclamation District contributes 1/2% of salary toward automatic increase in annuity after retirement.
- ² Rate of interest is 4% for employees in service prior to the following dates: January 1, 1954 in the case of Cook County and Forest Preserve District Funds and Chicago Police; July 1, 1953 for Chicago Firemen; January 1, 1952 for Laborers' Fund and Municipal Employees. For Water Reclamation District after July 14, 1949, rate of interest is 3%.

Tax Rates Beginning with the Year 1972

- ³ For the years 1972 through 1977, tax is an amount equal to 0.8 of the total amount of contributions made by the employees in the calendar year two years prior to the year of levy. After 1977, the rates are 0.87 for 1978; 0.94 for 1979; 1.02 for 1980; 1.10 for 1981; 1.18 for 1982; 1.36 for 1983; 1.54 for 1984 and each year thereafter.
- ⁴ Tax is an amount not to exceed an amount equal to the total amount of contributions by the employees to the fund made in the calendar year two years prior to the year of levy multiplied by 1.25 for the year 1972; and by 1.30 for the year 1973 and for each year thereafter.
- ⁵ Tax is an amount not to exceed an amount equal to the total amount of contributions by the employees to the fund made in the calendar year two years prior to the year of levy multiplied by 2.08 for 1982, by 2.21 for 1983, 2.34 for 1984 through 1987 and by 2.19 for 1988 each year thereafter.
- ⁶ An amount equal to the total amount contributed by the policemen in the two years prior to the year of levy multiplied by 1.65 for the year 1972; and by 1.85 for the year 1973; 1.90 for 1974; 1.97 for 1975 and 2.00 for the tax levy year 1982 and each year thereafter. Plus \$224,000 for ordinary death benefits.

For the Year 1972 and Thereafter

- ⁷ Tax is an amount not to exceed an amount equal to the total amount of contributions by the employees to the fund made in the calendar year two years prior to the year of levy multiplied by 2.26. These amounts include an additional 142,000 for ordinary death benefits.
- ⁸ Tax is an amount not to exceed an amount equal to the total amount of contributions by the employees to the fund made in the calendar year two years prior to the year of levy multiplied by 1.1 for the year 1972; 1.145 for the year 1973; 1.19 for the year 1974; 1.235 for the year 1975; 1.280 for the year 1976; 1.325 for the year 1977; and 1.370 for the year 1978 and for each year thereafter.
- ⁹ Tax is an amount not to exceed an amount equal to the total amount of contributions by the employees to the fund made in the calendar year two years prior to the year of levy multiplied by 1.3 for the year 1972; by 1.365 for the year 1973; by 1.430 for the year 1974; by 1.495 for the year 1975; by 1.560 for the year 1976; by 1.625 for the year 1977; and by 1.690 for the year 1978 and for each year thereafter.
- ¹⁰ Members of the County Police Department contribute 7%.

- ¹¹ For the year 1978 and thereafter tax is not to exceed an amount equal to the total contributions by the employees to the Fund during the fiscal year two years prior to the year of levy, multiplied by 0.825 for the year 1978; by 0.85 for the year 1979; by 0.90 for the year 1980; by 0.95 for the year 1981; by 1.00 for the year 1982; by 1.05 for the year 1983; and for the year 1984 and each year thereafter by 1.10 times the employee contributions during the fiscal year 2 years prior to the year for which the applicable tax is levied.
- ¹² Payable in full upon retirement at age 60 or over. Reduce 1/2 of 1% (1/4 of 1% for Park District) for each month below age 60 if retirement occurs between 50 and 60 years, age 50 for County and Forest Preserve. For Chicago teachers no discount for 35 years of service at age 55 and over. Water Reclamation District, no discount for 36 years service and no discount for County Fund for 30 or more year service and no discount for Park District age 50-60 with 30 years of service for retirement on or after July 1, 1990. For County and Forest Preserve payable at age 65 with 10 or more years service, effective January 1, 1982. Chicago teachers have 3% automatic annual increase in base pension after first anniversary of pension or age 62, whichever is later. For Chicago Municipal and Laborers', reduce one fourth of 1% for each month below age 60 if retirement occurs between 55 and 60 years. No discount for 30 years of service at age 50 or 25 years of service at age 55 for retirement on or after June 27, 1997.
- ¹³ Upon attainment of age 65 with 15 years of service or more, an alternative is 1% of average salary per year of service, plus \$25 per year. In case of park employees, subject to minimum of \$780 per year.
- ¹⁴ Based on average salary for the highest four consecutive years within the last 10 years.
- ¹⁵ An automatic increase in annuity after retirement is provided equal in an amount to 3% of the original granted life annuity beginning 1-1-98 for each year lived after retirement. Increase is base on the total annuity. Age 60 for Chicago Municipal and Laborers' employees. For County and Forest Preserve age 60, or January 1 of the year following attainment of age 60, unless 30 or more years of service, then January 1 following the first anniversary of retirement.
- ^{15a} For withdrawals from service occurring on or after June 27, 1997, an employee (or surviving spouse) age 50 or over with at least 30 years of service is eligible to receive an annuity based on the minimum annuity formula.
- ¹⁶ Members of the County Police Department, if employed as Deputy Sheriffs, who withdraw from service after December 31, 1987, with at least 20 years of service are entitled to an annuity of 50% of final average salary plus 2% additional for each year or partial year in excess of 20 years up to a maximum of 75%. Other provisions apply for retirement prior to 1-1-88.
- ¹⁷ Annuity discounted 1/2 of 1% for each month under age 60 at retirement for those retiring prior to age 60, unless 30 or more years service in which discount is waived.
- ¹⁸ For those born January 1, 1945 and later, an automatic increase in annuity after retirement with twenty or more years of service and attainment of age 60 is provided equal in an amount of 1 1/2% of the original granted annuity for each year lived after retirement subject to a maximum of twenty increases. For policemen and firemen born prior to January 1, 1945, an automatic annuity increase starting at age 55, equal to 3% of the originally granted annuity for each year lived after retirement.
- ¹⁹ 50% plus 1% for each year of service or fraction thereof after 23 years before the attainment of age 53, plus 2% to retirement of final average salary without a maximum percentage but not to exceed 75% of final salary.

- ²⁰ Park employees entering service on or after July 1, 1971 are subject only to fixed benefit formula. Employees who enter service prior to that date are entitled to the larger of money purchase or fixed benefit.
- ²¹ A 75% duty disability benefit is also provided for certain stated disabilities.
- ²² Reduced by amount of salary deductions that would have been made if working, except ordinary disability deduction.
- ²³ Seventy-five percent of salary at date of injury. The 75% of salary is applicable only to participants who become disabled as the result of an accidental injury incurred while in the performance of an act of duty. It does not relate to occupational diseases; 50% if pre-existing condition prevails.
- ²⁴ Payable in full upon retirement at age 55 or over. Reduced upon retirement below age 55 at a rate of one-half of 1% per month, with maximum reduction of 30% if service is less than 25 years. This reduction is not applicable if the total is 25 years or more.
- ²⁵ For firemen, automatic annuity increase begins the later of first of month following the first anniversary of retirement or first of month following the attainment of age 60.
- ²⁶ After December 31, 1983, with at least 22 years of service credit and having attained age 51 in the service, 50% plus 2% for each year or fraction thereof after completion of minimum number of years of service required.
- ²⁷ After December 31, 1984, with at least 21 years of service credit and having attained age 51 in the service, 50% plus 2% for each year or fraction thereof after completion of minimum number of years of service required.
- ²⁸ After December 31, 1880, with at least 20 years of service regardless of age may elect to receive an annuity to begin not earlier than upon attainment of age 50 if under that age at withdrawal.
- ²⁹ Additional Optional benefits of 1% per year of service are available if the Employee contributes 3% of salary plus interest for all years of service.
- ³⁰ Effective 7/1/88 for Cook County and 6/22/88 for Water Reclamation District, an elected county official can obtain alternative benefits in lieu of the regular retirement annuity of 3% for each of the first 8 years; 4% for the next 4 years; and 5% thereafter up to a maximum of 80% of final salary by contributing 3% of salary plus interest for his period of service. Spouse annuity under this plan is 66 2/3% of the employee's annuity.
- ³¹ Based on average salary for the highest two consecutive years within the last 10 years.
- ³² An automatic increase of 3% of the then current annuity is payable on the 1st of the month in which the first anniversary of retirement occurs and each year thereafter.
- ³³ Annuity discounted by 1/2 of 1% for the lessor of each month under age 60 or under 30 years of service for retirement between age 50 and age 60 (for those hired after 6/13/97, between age 55 and age 60).
- ³⁴ Tax levy suspended for four years, 1995 through 1999. For those hired after 6-13-97. For retirement between the ages of 55 & 60.

OTHER GOVERNMENTAL UNIT SYSTEMS

CURRENT SERVICE COST AND METHOD OF FINANCING

EMPLOYEE CONTRIBUTIONS

<u>Name of System</u>	<u>Maximum Salary Measure</u>	<u>Old Age</u>	<u>Spouse & Survivor Annuity</u>	<u>Employer Share of Normal Cost</u>	<u>Statutory Rate of Interest</u>	<u>Source of Employer Funds</u>
Suburban & Downstate Police Pension Funds	None	9.0%	None	Actuarially determined according to law, minus employee contributions	Unlimited	Tax Levy
Suburban & Downstate Firefighter Pension	None	8.25% (8.455% effective 8-6-99)	None	FY99-7.23% FY00-7.17%	Unlimited	Tax Levy
Illinois Municipal Retirement Fund	None	3.75%	0.75%	FY97-9.32% FY98-10.42% FY99-10.62%	None-7.5% rate set by trustees	Tax Levy
Illinois Municipal Retirement Fund Sheriff Law Enforcement Employees	None	5.75%	0.75%	Not Yet available FY99-21.48% FY00-23.39%	None-7.5% rate set by trustees	Tax Levy
Illinois Municipal Retirement Fund Elected County Officials		6.75%	0.75%		None-7.5% rate set by trustees	Tax Levy

For participants after 1/1/96 - Max set by IRC 401A17
 For participants before 1/1/96 - No maximum

MINIMUM AGE AND SERVICE REQUIREMENT FOR RETIREMENT ANNUITIES

Name of System	Age	Service	Compulsory Retirement Age
Downstate and Suburban Police Pension Funds	50	20	None
	60	8	
Downstate and Suburban Firefighter Pension Funds	50	20	None
	60	10	
Illinois Municipal Retirement Fund	55 ³	8 ⁴	None
Illinois Municipal Retirement Fund Sheriff's Law Enforcement Employees	50	20 ⁵	None
Illinois Municipal Retirement Fund Elected County Officials	55	8	None

SUMMARY OF RETIREMENT ANNUITY PROVISIONS

Name of System	Formula	Basic Rate of Annuity	Maximum Annuity
Suburban & Downstate Police Pension Funds	Fixed Benefit	50.0% after 20 years 2.0% each of next 10 years 1.0% each of next 5 years	75%
Suburban & Downstate Firefighter Funds	Fixed Benefit	50.0% after 20 years 2.0% each of next 10 years 1.0% each of next 5 years	75%
Illinois Municipal Retirement Fund	Fixed Benefit	1.67% each of first 15 years 2.0% each year thereafter	75%
Illinois Municipal Retirement Fund Sheriff's Law Enforcement Employees	Fixed Benefit	50.0% after 20 years 2.0% each of next 10 years 1.0% each of next 5 years	75%
Illinois Municipal Retirement Fund Elected County Officials	Fixed Benefit	3% each of first 8 years 4% each of next 4 years 5% each of every year thereafter	80%

SURVIVOR BENEFIT PROVISIONS

<u>Name of System</u>	<u>Spouse Annuity</u>	<u>Child Annuity</u>	<u>Parent Annuity</u>	<u>Single-Sum Death Benefit</u>
Suburban & Downstate Police Pension Funds	Yes	Yes	Yes	None
Suburban & Downstate Firefighter Pension Funds	Yes	Yes	Yes	None
Illinois Municipal Retirement Fund	Yes	Yes ⁷	None	Yes
Illinois Municipal Retirement Fund Sheriff's Law Enforcement Employees	Yes	Yes ⁷	None	Yes
Illinois Municipal Retirement Fund Elected County Officials	Yes	Yes	None	Yes

DISABILITY BENEFIT PROVISIONS

<u>Name of System</u>	<u>Occupational</u>	<u>Nonoccupational</u>
Suburban & Downstate Police Pension Funds	65% annuity, less workers' compensation	50% annuity
Suburban & Downstate Firefighter Pension Funds	65% annuity, less workers' compensation	50% annuity after 7 years service
Illinois Municipal Retirement Fund	50% from 31st day ⁸	50% from 31st day ⁸
Illinois Municipal Retirement Fund Sheriff's Law Enforcement Employees	50% from 31st day ⁸	50% from 31st day ⁸
Illinois Municipal Retirement Fund Elected County Officials	Equal to retirement benefit	Equal to retirement benefit

ENDNOTES

¹ Members of the Illinois Municipal Retirement Fund are covered by the Federal Social Security program. Social Security taxes are paid by both the members and the employers and are in addition to the current service cost indicated. Currently, the employer and the employee pay 7.65% of covered wages.

² Sheriffs; chief deputies; full-time deputy sheriffs; Forest Preserve District rangers; police chiefs; airport police.

³ Annuity reduced one-fourth of 1% for the lesser of each month between ages 55 and 60 for each month of service less than 35 years.

⁴ Members who earned service credits prior to January 1, 1962, may qualify for a money purchase pension with less than 8 years service if amount thereof is \$10 or more per month.

⁵ Members, who retire with less than 20 years of service, may qualify for an annuity under the regular IMRF formula.

⁶ A firefighter with at least 10 but less than 20 years of creditable service may receive a monthly pension at age 60 at the following rates:

For 10 years of service 15% of salary;
For 11 years of service 17.6% of salary;
For 12 years of service 20.4% of salary;
For 13 years of service 23.4% of salary;
For 14 years of service 26.6% of salary;
For 15 years of service 30% of salary;
For 16 years of service 33.6% of salary;
For 17 years of service 37.4% of salary;
For 18 years of service 41.4% of salary;
For 19 years of service 45.6% of salary.

A police officer having at least 8 but less than 20 years of creditable service may receive a monthly pension at the rate of 2 1/2% of salary for each year of creditable service.

⁷ Unmarried orphans under age 18, payable if no spouse survives or on death of spouse.

⁸ Temporary disability benefits may not exceed 2 1/2 years. Total and permanent disability benefits will follow provided the member is totally and permanently disabled and unable to engage in any gainful employment. Payments are offset by Federal Social Security benefits and worker's compensation benefits.

⁹ Who terminate service on or after January 1, 1988

**Pension Funds and
Retirement Systems
Financial, Statistical, and
Actuarial Data Summary**

This chapter is devoted to the presentation of financial, statistical, and actuarial data summarized to show the overall condition of the pension funds and retirement systems operating for the benefit of public employees in the State of Illinois.

The financial and statistical information presented was compiled from annual reports submitted to the Department of Insurance by each fund or systems as required by Section 1A-109 of the Illinois Pension Code. Actuarial data was obtained from the consulting actuary of each system. In the case of the downstate police and firefighter funds, this data was gathered and prepared by the Public Pension funds even though, in some instances, the municipality or the fund trustees have employed their own actuary.

All numbers presented in this chapter reflect the close of the most recent completed fiscal year, as reported to the Division.

Acts in Force, Number of Retirement Funds or Systems, Employees Covered

The 598 public pension funds and retirement systems operating in Illinois are established under 17 separate Articles in the Illinois Pension Code, covering 585,607 active participants and 273,847 beneficiaries (retirees and surviving spouses and children). Of the 598 funds 583 are Article 3 (320 downstate and suburban police pension funds) and Article 4 (263 downstate and suburban firefighter pension funds).

Total Accrued Liabilities, Net Assets, and Unfunded Accrued Liabilities

The total accrued actuarial reserve liabilities amount to \$103,484,218,862. The combined net assets total \$80,674,262,821. The unfunded accrued liabilities total \$22,801,082,129. The rate of funding is 77%.

Table 1 on the following page present the funding status of all funds and systems at the end of each fund's 1998* fiscal year. Table 1 shows each fund's financial condition in terms of funded and unfunded actuarial liabilities.

Table 1

	Total Liabilities	Net Assets	Unfunded Liabilities	Percent Funded
State Financed				
General Assembly	\$ 150,408,448	\$ 62,737,590	\$ 87,670,858	41.7
Judges	747,275,530	356,692,936	390,582,594	47.7
State Employees	9,341,897,641	7,064,494,830	2,277,402,811	75.6
Downstate Teachers	29,908,241,000	19,956,887,405	9,942,353,595	66.8
State Universities	11,416,100,000	9,793,809,000	1,622,417,118	85.8
Total:	51,563,922,619	37,234,621,761	14,320,426,986	77.0
Chicago				
Chicago Fire	1,783,569,178	1,090,391,829	693,177,319	61.1
Laborers	1,292,611,712	1,615,740,707	-323,128,995	125.0
Municipal	6,323,965,903	5,715,857,644	608,108,259	90.4
Chicago Police	5,158,196,219	2,832,436,213	2,325,760,006	54.9
Chicago Teachers	8,015,603,364	8,310,158,240	-294,554,876	103.7
Park Employees	565,582,319	617,322,976	-51,740,657	109.1
Total:	23,139,528,695	20,181,907,609	2,957,621,056	87.2
Cook County				
County Employees	4,942,155,173	4,111,168,896	830,986,277	83.2
Forest Preserve	136,366,759	124,043,537	12,323,222	91.0
Metropolitan Water	1,132,408,470	1,034,218,582	98,189,888	91.3
Total:	6,210,930,402	5,269,431,015	941,499,387	84.8
Other Governmental				
IMRF	16,120,245,355	13,085,568,618	3,034,676,737	81.1
Downstate Police*	3,714,294,037	2,769,830,057	944,463,980	74.6
Downstate Fire*	2,735,297,754	2,132,903,761	602,393,993	77.9
Total:	22,569,837,146	17,988,302,436	4,581,534,710	79.7
Grand Total	103,484,218,862	80,704,262,821	22,801,082,129	77.9

Illinois Public Employees' Retirement Systems— Active Participants as of FY 98

State Financed	Number		Number		Total	
	Male	Salaries	Female	Salaries	Number	Salaries
General Assembly	133	\$ 6,682,416	48	\$ 2,419,824	181	\$ 9,102,240
Judges	732	80,379,528	166	18,265,428	898	98,644,956
State Employees	40,222	1,604,229,924	37,838	1,289,737,932	78,060	2,893,967,856
Downstate Teachers	35,485	1,691,691,184	100,929	3,595,824,784	136,414	5,287,515,968
State Universities	35,872	1,312,461,420	41,284	1,084,228,432	77,156	2,396,690,308
Total:	112,444	4,695,444,472	180,265	5,990,476,856	292,709	9,607,573,872
Chicago						
Chicago Fire	4,559	250,739,190	224	11,509,788	4,783	262,248,978
Laborers	3,361	155,650,656	392	14,976,456	3,753	170,627,112
Municipal	14,027	611,676,624	18,912	556,962,600	32,939	1,168,639,224
Chicago Police	10,859	594,969,042	2,727	141,432,714	13,586	736,401,756
Chicago Teachers	8,782	355,024,914	26,093	1,078,990,103	34,875	1,434,015,017
Park Employees	2,758	62,175,145	1,501	26,629,963	4,259	88,805,108
Total:	44,346	2,030,235,571	49,849	1,830,501,624	94,195	3,860,737,195
Cook County						
County Employees	11,966	519,108,024	14,305	547,350,408	26,271	1,066,459,432
Forest Preserve	687	23,758,248	126	3,706,632	813	27,464,880
Metropolitan Water	1614	93,975,724	530	24,092,642	2,144	118,068,366
Total:	14,267	636,841,996	14,961	575,149,682	29,228	1,211,992,678
Other Governmental						
IMRF	57,181	2,670,140	93,247	1,811,792	150,428	4,481,932
Downstate Police*	10,885	474,491,940	596	24,526,749	11,481	499,018,689
Downstate Fire*	7,566	340,621,862	95	3,815,048	7,566	344,136,910
Total:	75,632	817,783,942	93,938	30,153,589	169,475	847,637,531
Grand Total	246,689	\$8,180,305,981	339,013	\$8,426,281,751	585,607	\$15,527,941,276

*Totals for 1997

Illinois Public Employees' Retirement Systems— Benefits Paid by Beneficiary Category as of FY 98

State Financed	Retired		Disability		Survivors	
	Number	Benefits	Number	Benefits	Number	Benefits
General Assembly	218	\$ 6,276,451	0	\$ 0	125	\$ 1,512,891
Judges	460	30,562,353	0	0	297	8,838,031
State Employees	28,774	343,197,939	1,737	19,943,838	9,788	38,320,847
Downstate Teachers	51,478	1,144,309,248	953	13,922,136	6,696	54,456,562
State Universities	21,623	422,847,190	924	13,868,532	4,866	37,519,608
Total:	102,553	1,947,193,181	3614	47,734,506	21,772	140,647,939
Chicago						
Chicago Fire	2,251	73,163,602	500	26,705,962	1,592	18,853,634
Laborers	2,808	57,648,658	134	2,057,077	630	5,474,918
Municipal	15,845	299,815,916	383	12,089,088	4,712	45,963,288
Chicago Police	6,241	197,728,490	335	10,188,813	3,378	35,552,664
Chicago Teachers	10,730	288,004,064	303	4,453,930	2,044	16,536,834
Park Employees	2,163	33,193,387	69	2,257,711	984	6,335,513
Total:	40,038	949,554,117	1724	57,752,581	13,340	128,716,851
Cook County						
County Employees	8,707	148,343,826	201	6,715,848	2,005	9,603,761
Forest Preserve	236	4,142,737	7	207,456	134	647,872
Metropolitan Water	1,424	43,163,781	55	796,159	726	7,559,206
Total:	10,367	195,650,344	263	7,719,463	2,865	17,810,839
Other Governmental						
IMRF	55,828	374,124,085	1,484	8,223,429	10,444	26,969,645
Downstate Police*	3257	78,982,562	723	14,986,668	1219	14,574,144
Downstate Fire*	2534	64,151,079	921	19,850,718	901	8,873,815
Total:	61,619	517,257,726	3128	43,060,815	12,564	50,417,604
Grand Total	214,577	\$3,609,655,368	8,729	\$156,267,365	50,541	\$337,593,233

*Totals for 1997

Illinois Public Employees' Retirement Systems— Fund Beneficiaries — Totals as of FY 98

State Financed	Total Number	Total Payments
General Assembly	343	\$ 7,789,342
Judges	757	39,400,384
State Employees	40,299	401,462,624
Downstate Teachers	59,127	1,212,687,946
State Universities	27,413	474,235,330
Total:	127,939	2,135,575,626
 Chicago		
Chicago Fire	4,343	118,723,198
Laborers	3,572	65,180,653
Municipal	20,940	357,868,292
Chicago Police	9,954	243,469,967
Chicago Teachers	13,077	308,994,828
Park Employees	3,216	41,786,611
Total:	55,102	1,136,023,549
 Cook County		
County Employees	10,913	164,663,435
Forest Preserve	377	4,998,065
Metropolitan Water	2,205	51,519,146
Total:	13,495	221,180,646
 Other Governmental		
IMRF	67,756	409,317,159
Downstate Police*	5199	108,543,374
Downstate Fire*	4356	92,875,612
Total:	77,311	610,736,145
Grand Total	273,847	\$4,103,515,966

*Totals for 1997

Individual Pension Fund and System Summary Data by Enabling Act

General Assembly
Retirement System

Suburban and
Downstate Police

Suburban and
Downstate Firefighters

(Chicago) Policemen's
Annuity and Benefit Fund

(Chicago) Firemen's
Annuity and Benefit Fund

Illinois Municipal
Retirement Fund

(Chicago) Municipal
Employees'
Officers' and Officials
Annuity and Benefit Fund

County Employees' and
Officers'
Annuity and Benefit Fund
(Cook County)

(Cook County)
Forest Preserve
District Employees'
Annuity and Benefit Fund

(Chicago) Laborers' and
Retirement Board Employee's
Annuity and Benefit Fund

(Chicago) Park Employees'
and Retirement Board
Employees'
Annuity and Benefit Fund

Metropolitan Water
Reclamation
District Retirement Fund
(of Greater Chicago)

State Employees'
Retirement System of Illinois

State Universities
Retirement System

Teachers' Retirement System
of the State of Illinois

Public School Teachers
Pension and Retirement Fund
of Chicago

Judges Retirement System
of Illinois

General Assembly Retirement System

**Illinois Pension Code
Article 2**

General Assembly Retirement System
Statement of Assets and Reserve Liabilities
Fiscal Year Ended June 30, 1998

Assets

Cash	\$ 1,643,053
Investments	61,160,683
Receivables	12,841
Fixed Assets	6,583
Total Assets	62,823,160
Short-term Liabilities (Accounts payable and accrued expenses)	85,570
Net Assets Available for Benefits, Total	<u>\$62,737,590</u>

Reserve Liabilities

Reserves For:		
Active Participants	\$28,205,707	
Retirement Annuities	69,828,389	
Survivor Annuities	18,167,750	
Inactive Participants	26,959,497	
Other Benefits	7,247,105	
Reserve Liabilities, Total		150,408,448
Unfunded Actuarial		87,670,858
Liabilities Fund Balance		<u>\$ 62,737,590</u>

General Assembly Retirement System

Statement of Income and Expenditures Fiscal Year Ended June 30, 1998

Income

Fund Balance, End of FY 1997	\$56,709,651
Investment Income	9,780,815
Employee Contributions	1,224,533
Employer Contributions	3,113,000
Total Income, FY 1998	\$14,118,348

Disbursements

Annuity Payments		
Retired Employees	\$6,238,415	
Survivors	1,541,027	
Refunds	83,392	
Total Benefits Paid		7,862,834
Administrative Expenses		227,575
Total Disbursements, FY 1998		8,090,409
Net Income, FY 1998		6,027,939
Fund Balance, End of FY 1998		<u>\$ 62,737,590</u>

General Assembly Retirement System
Statement of Assets and Reserve Liabilities Fiscal Year Ended in 1998
Return on Investment

FY	Pct. Return	FY	Pct. Return
1987	8.8	1993	12.1
1988	2.5	1994	4.0
1989	14.3	1995	14.0
1990	8.0	1996	16.6
1991	7.0	1997	18.8
1992	11.6	1998	18.1

Trends in Accrued Liabilities

FY	Total Accrued Liabilities	Net Assets	Unfunded Liabilities	Percent Funded
1987		\$29,152,605	\$31,482,720	48.0
1988	\$60,635,325	30,108,655	31,680,180	50.6
1989	64,160,481	1,677,506	31,157,451	50.4
1990	62,834,957	33,442,677	45,180,960	42.5
1991	78,623,637	35,142,093	49,326,336	41.6
1992	84,468,429	37,618,218	50,919,111	42.5
1993	88,537,329	40,673,690	61,287,043	39.7
1994	102,500,733	40,910,567	69,809,391	36.9
1995	110,719,958	40,697,602	78,664,511	34.1
1996	119,362,113	42,624,896	84,740,017	33.5
1997	127,364,913	56,709,651	87,126,954	39.4
1998	143,836,605	62,737,590	87,670,858	41.7

Suburban and Downstate Police

**Illinois Pension Code
Article 3**

Suburban and Downstate Police
Statement of Assets and Reserve Liabilities
Fiscal Year Ended in 1997

Assets

Cash		\$130,809,184
Investments		
Certificates of Deposit	\$ 154,780,946	
Government Securities	2,028,769,862	
Insurance Contracts-General Accounts	118,481,577	
Insurance Contracts-Separate Accounts	201,002,941	
Pooled Investment Accounts	44,519,698	2,547,555,024
Receivables		
Taxes	55,334,724	
Accrued Investment Income	21,751,509	
Other	14,910,874	93,480,113
Other Assets		\$7,303,115
Total Assets		2,779,147,436
Short-term Liabilities (Accounts payable and accrued expenses)		9,317,379
Net Assets Available for Benefits, Total		<u>\$2,769,830,057</u>

Reserve Liabilities

Reserves for:		
Active Participants	\$2,136,085,689	
Retired Participants	1,205,072,122	
Disability Benefits	235,386,534	
Survivor Benefits	137,749,692	
Reserve Liabilities, Total		3,714,294,037
Unfunded Actuarial Liabilities*		944,463,980
Fund Balance		<u>\$2,769,830,057</u>

Suburban and Downstate Police
Statement of Assets and Reserve Liabilities
Fiscal Year Ended in 1997

Fund Balance, End of FY 1997 (adjusted)	\$2,467,319,753
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Income

Investment Income	\$296,666,304
Employee Contributions	45,297,387
Employer Contributions	86,049,335
Other Income	1,039,872
Total, FY 1998	\$429,052,898

Disbursements

Annuity Payments		
Retired Employees	\$79,798,667	
Disabled Employees	23,087,586	
Survivors	12,785,610	115,669,863
Refunds		4,207,455
Transfer Paid to Other Illinois Funds		163,166
Total Benefits Paid		120,040,484
Administrative Expenses		6,502,111
Total Disbursements, FY 1998		126,542,595
Net Income, FY 1998		302,510,303
Fund Balance, End of FY 1998		<u>\$2,769,830,057</u>

Suburban and Downstate Police

Statement of Assets and Reserve Liabilities Fiscal Year Ended in 1997

Classification	Market Value	Pct.
Certificate of Deposit	\$154,780,946	6.08
Government Securities	2,028,769,862	79.64
Insurance Contracts-General Accounts	118,481,577	4.65
Insurance Contracts-Separate Accounts	201,002,941	7.89
Pooled Investment Accounts	44,519,698	1.75
Total	\$2,547,555,024	

Trends in Accrued Liabilities

FY	<u>Total Liabilities</u>	<u>Net Assets</u>	<u>Unfunded Liabilities</u>	<u>Percent Funded</u>
1987	\$1,274,086,055	\$1,178,327,997	\$1,274,086,055	48.1
1988	1,288,149,040	1,270,670,800	1,288,149,040	49.7
1989	1,153,473,434	1,418,865,159	1,153,473,434	55.2
1990	1,431,944,495	1,530,001,707	1,431,944,495	51.7
1991	1,599,051,503	1,649,031,234	1,599,051,503	50.8
1992	1,542,656,757	1,795,962,014	1,542,656,757	53.8
1993	1,685,741,017	1,856,426,223	1,685,741,017	52.4
1994	1,830,455,661	1,929,059,750	1,830,455,661	51.3
1995	1,916,956,847	2,042,812,376	1,916,956,847	51.6
1996	1,870,044,555	2,496,984,990	1,870,044,555	57.2
1997	3,714,294,037	2,769,830,057	944,463,980	74.6

Growth in Participants & Financial Condition of Pension Funds Since Last Biennial Report

	FY 1996	FY 1997
Number of Police Pension Funds	**315	314
Number of Active Participants	11,024	11,570
Number of Beneficiaries	5,036	5,217
Total Number of Participants	16,060	16,787
Total Annual Income	\$315,125,558	\$429,052,898
Total Annual Expenditures	\$102,352,247	\$126,542,595
Total Net Present Assets	*\$2,564,680,559	*\$2,769,830,057

*Assets at Cost or Amortized Cost

**Maywood and Venice not included in detail

Suburban and Downstate Firefighters

**Illinois Pension Code
Article 4**

Suburban and Downstate Firefighters
Statement of Assets and Reserve Liabilities
Fiscal Year Ended in 1997

Cash		\$109,125,861
Investments		
Certificates of Deposit	\$ 117,190,080	
Government Securities	1,575,465,257	
Insurance Contracts-General Accounts	88,346,634	
Insurance Contracts-Separate Accounts	157,798,278	
Pooled Investment Accounts	20,799,425	1,959,599,674
Receivables		
Taxes	46,004,875	
Accrued Investment Income	15,816,459	
Other	11,862,619	73,683,953
Other Assets		852,434
Total Assets		2,139,355,952
Short-term Liabilities (Accounts payable and accrued expenses)		6,452,191
Net Assets Available for Benefits, Total		<u>\$2,132,903,761</u>

Reserve Liabilities

Reserves for:		
Active Participants	\$1,490,371,297	
Retired Participants	878,615,503	
Disability Benefits	281,847,023	
Survivor Benefits	84,463,931	
Reserve Liabilities, Total		2,735,294,754
Unfunded Actuarial Liabilities*		602,393,993
Fund Balance		<u>\$2,132,903,761</u>

*Assets at fair value

Suburban and Downstate Police
Statement of Assets and Reserve Liabilities
Fiscal Year Ended in 1997

Fund Balance, End of FY 1997 (adjusted) **\$1,968,324,756**

Income

Investment Income	\$179,847,938
employee Contributions	28,214,640
Employer Contributions	70,250,267
Other Income	(246,730)
Total, FY 1998	<u>\$278,066,115</u>

Disbursements

Annuity Payments		
Retired Employees	\$83,253,637	
Disabled Employees	17,714,840	
Survivors	8,699,362	109,667,839
Refunds		667,581
Transfer Paid to other Illinois Funds		9,217
Total Benefits Paid		110,344,637
Administrative Expenses		4,142,473
Total Disbursements, FY 1998		114,487,110
Net Income, FY 1998		163,579,005
Fund Balance, End of FY 1998		<u>\$2,132,903,761</u>

Suburban and Downstate Firefighters
Statement of Assets and Reserve Liabilities Fiscal Year Ended in 1997

Classification	Market Value	Pct.
Certificate of Deposit	\$117,190,080	5.98
Government Securities	1,575,465,257	80.40
Insurance Contracts-General Accounts	88,346,634	4.51
Insurance Contracts-Separate Accounts	157,798,278	8.05
Pooled Investment Accounts	20,799,425	1.06
Total	\$1,959,599,674	

Trends in Accrued Liabilities

FY	Total Liabilities	Net Assets	Unfunded Liabilities	Percent Funded
1987	\$1,274,086,055	\$1,178,327,997	\$1,274,086,055	48.1
1988	1,288,149,040	1,270,670,800	1,288,149,040	49.7
1989	1,153,473,434	1,418,865,159	1,153,473,434	55.2
1990	1,431,944,495	1,530,001,707	1,431,944,495	51.7
1991	1,599,051,503	1,649,031,234	1,599,051,503	50.8
1992	1,542,656,757	1,795,962,014	1,542,656,757	53.8
1993	1,685,741,017	1,856,426,223	1,685,741,017	52.4
1994	1,830,455,661	1,929,059,750	1,830,455,661	51.3
1995	1,916,956,847	2,042,812,376	1,916,956,847	51.6
1996	1,870,044,555	2,496,984,990	1,870,044,555	57.2
1997	2,735,297,754	2,132,903,761	602,393,993	77.9

**Growth in Participants & Financial Condition
of Pension Funds Since Last Biennial Report**

	FY 1996	FY 1997
Number of Police Pension Funds	256	259
Number of Active Participants	7,110	7,616
Number of Beneficiaries	4,153	4,363
Total Number of Participants	11,263	11,979
Total Annual Income	\$242,622,311	\$278,066,115
Total Annual Expenditures	\$85,945,854	\$114,487,110
Total Net Present Assets	*\$1,955,598,823	*\$2,132,903,761

*Assets at Cost or Amortized Cost

(Chicago) Policemen's Annuity and Benefit Fund

Illinois Pension Code
Article 5

Policemen's Annuity and Benefit Fund (Chicago)

Statement of Assets and Reserve Liabilities Fiscal Year Ended December 31, 1998

Assets

Cash	\$	250
Investments		2,725,561,493
Receivables		131,440,539
Other		268,828
Total Assets		2,857,271,110
Short-term Liabilities		24,834,897
(Accounts payable and accrued expenses)		
Net Assets Available for Benefits, Total		<u>\$2,832,436,213</u>

Reserve Liabilities

Reserves For:		
Active Participants	\$1,853,103,793	
Retirees	2,839,336,942	
Survivors	380,149,048	
Other Benefits	85,606,436	5,158,196,219
Reserve Liabilities, Total		5,158,196,219
Unfunded Actuarial Liabilities		2,325,760,003
Fund Balance		<u>\$2,832,436,213</u>

Policemen's Annuity and Benefit Fund (Chicago)

Statement of Income and Expenditures Fiscal Year Ended December 31, 1998

Fund Balance, End of FY 1997 \$2,684,561,598

Income

Investment Income	\$224,297,809
Employee Contributions	69,890,009
Employer Contributions	118,208,136
Other Income	659,280
Total Income, FY 1998	<u>\$413,055,234</u>

Disbursements

Benefit Payments

Retired Employees	\$194,708,964	
Disabled Employees	13,989,342	
Survivors	35,508,492	
Health Insurance	5,191,138	
Death Benefits	1,833,790	
Transfer to other Illinois Systems	118,740	251,350,466
Refunds		4,169,902
Total Benefits Paid		255,520,368
Investment Expenses		7,736,367
Administrative Expenses		1,923,881
Total Disbursements, FY 1998		265,180,616
Net Income, FY 1998		147,874,618
Fund Balance, End of FY 1998		<u>\$2,832,436,216</u>

Policemen's Annuity and Benefit Fund (Chicago)
Value of Investment Portfolio, End of FY 1998
Return on Investment

FY	<u>Pct. Return</u>	FY	<u>Pct. Return</u>
1987	9.7	1993	5.2
1988	8.2	1994	5.9
1989	12.0	1995	8.0
1990	8.9	1996	23.4
1991	9.0	1997	17.9
1992	10.6	1998	14.9

Trends in Accrued Liabilities

FY	<u>Total Accrued Liabilities</u>	<u>Net Assets</u>	<u>Unfunded Liabilities</u>	<u>Percent Funded</u>
1987	\$2,452,414,052	\$1,178,327,997	\$1,274,086,055	48.1
1988	2,558,819,840	1,270,670,800	1,288,149,040	49.7
1989	2,572,338,593	1,418,865,159	1,153,473,434	55.2
1990	2,961,946,202	1,530,001,707	1,431,944,495	51.7
1991	3,248,082,737	1,649,031,234	1,599,051,503	50.8
1992	3,338,618,771	1,795,962,014	1,542,656,757	53.8
1993	3,542,167,240	1,856,426,223	1,685,741,017	52.4
1994	3,759,515,411	1,929,059,750	1,830,455,661	51.3
1995	3,959,769,223	2,042,812,376	1,916,956,847	51.6
1996	4,367,029,545	2,496,984,990	1,870,044,555	57.2
1997	4,609,167,918	2,684,561,598	1,924,606,320	58.2
1998	5,158,196,219	2,832,436,213	2,325,760,006	54.9

(Chicago) Firemen's Annuity and Benefit Fund

**Illinois Pension Code
Article 6**

Firemen's Annuity and Benefit Fund (Chicago)

Statement of Assets and Reserve Liabilities Fiscal Year Ended December 31, 1998

Assets

Cash	\$ 35,380,698
Investments	1,006,552,428
Receivables	52,904,578
Collateral from Securities Lending	128,673,666
Total Assets	1,223,511,370
Short-term Liabilities (Accounts payable and accrued expenses)	133,119,541
Net Assets Available for Benefits, Total	<u>\$1,090,391,829</u>

Reserve Liabilities

Reserves For:		
Active Participants	\$1,362,437,368	
Retirees	277,680,435	
Disability Pensions	141,569,688	
Survivors	(68,451)	
Health Insurance Supplement	591,320	
Reserve Liabilities, Total		1,019,708,956
Unfunded Actuarial Liabilities		70,682,873
Fund Balance		<u>\$1,090,391,829</u>

Firemen's Annuity and Benefit Fund (Chicago)

Statement of Income and Expenditures Fiscal Year Ended December 31, 1998

Fund Balance, End of FY 1997 \$1,019,708,957

Income

Investment Income	\$113,333,107
Employee Contributions	27,283,980
Employer Contributions	48,397,527
Other Income	7,734,661
Total Income, FY 1998	<u>\$196,750,275</u>

Disbursements

Benefit Payments

Retired Employees	\$71,841,092	
Disabled Employees	17,085,759	
Survivors	19,140,698	
Death Benefits	823,600	108,891,149
Refunds		1,672,242
Annuitant Health Care		1,753,387
Gift Fund Payments		368,800
Total Benefit Payments		112,685,578
Investment Expenses		11,640,967
Administrative Expenses		1,740,858
Total Disbursements, FY 1998		126,067,403
Net Income, FY 1998		70,682,872
Fund Balance, End of FY 1998		<u>\$1,090,391,829</u>

Firemen's Annuity and Benefit Fund (Chicago) Value of Investment Portfolio, End of FY 1998

Classification	Market Value	Pct.
Cash	\$ 35,380,699	3.40
Equities	684,343,923	65.68
Corporate Bonds	129,545,148	12.43
Government Bonds	51,356,130	4.93
Pooled Funds	137,842,824	13.23
Real Estate/Venture	3,464,411	0.33
Total	\$1,041,933,135	

Return on Investment

FY	<u>Pct. Return</u>	FY	<u>Pct. Return</u>
1987	11.85	1993	10.23
1988	6.30	1994	11.81
1989	9.92	1995	13.66
1990	7.55	1996	13.68
1991	9.20	1997	
1992	9.94	1998	12.2

Trends in Accrued Liabilities

FY	<u>Total Accrued Liabilities</u>	<u>Net Assets</u>	<u>Unfunded Liabilities</u>	<u>Percent Funded</u>
1987	\$ 997,832,894	\$ 484,222,864	\$ 513,610,030	48.5
1988	1,036,485,718	502,460,820	534,024,898	48.5
1989	1,076,104,518	533,840,416	542,264,102	49.6
1990	1,143,851,094	549,412,303	594,438,791	48.0
1991	1,232,369,161	572,453,630	659,915,531	46.5
1992	1,268,150,047	597,316,580	670,833,467	47.1
1993	1,301,058,322	623,192,173	677,866,149	47.9
1994	1,440,922,791	657,454,333	783,468,458	45.6
1995	1,532,239,536	705,717,510	826,522,026	46.1
1996	1,575,789,569	752,742,945	823,046,624	47.8
1997		856,109,736		
1998	1,783,569,178	1,090,391,829	693,177,319	61.1

Illinois Municipal Retirement Fund

**Illinois Pension Code
Article 7**

Illinois Municipal Retirement Fund
Statement of Assets and Reserve Liabilities
Fiscal Year Ended December 31, 1998

Assets

Cash	\$ 3,036,204
Investments (fair value)	12,975,751,128
Receivables	160,837,011
Fixed Assets	1,526,138
Prepaid Expenses	24,390,369
Securities Lending Cash Collateral	1,340,474,672
Total Assets	14,506,015,522
Short-term Liabilities (Accounts payable and accrued expenses)	1,420,446,904
Net Assets Available for Benefits, Total	<u>\$13,085,568,618</u>

Reserve Liabilities

Reserves For:		
Active Participants	\$ 10,692,245,571	
Retirees	4,223,313,679	
Survivors	262,337,627	
Inactives	918,795,583	
Death a Disability	23,552,895	
Reserve Liabilities, Total		16,120,245,355
Unfunded Actuarial Liabilities		3,034,676,737
Fund Balance		<u>\$13,085,568,618</u>

Illinois Municipal Retirement Fund

Statement of Income and Expenditures Fiscal Year Ended 1998

Fund Balance, End of FY 1997 \$ 11,609,153,169

Income

Investment Income \$ 1,528,087,732

Employee Contributions 190,259,213

Employer Contributions 364,196,668

Total Income, FY 1998 \$2,082,543,613

Disbursements

Benefit Payments

Retired Employees	\$ 396,753,911	
Disabled Employees	8,223,429	
Survivors	26,334,571	
Supplemental	20,447,779	451,759,690

Refunds 26,858,147

Total Benefits Paid 478,617,837

Investment Expense 111,935,383

Other Administrative Expenses 15,574,944

Total Disbursements, FY 1998 606,128,164

Net Income, FY 1998 1,476,415,449

Fund Balance, End of FY 1998 \$13,085,568,618

Illinois Municipal Retirement Fund Value of Investment Portfolio, End of FY 1998

Classification	Market Value	Pct.
Fixed Income	\$3,684,360,006	28.39
Stocks - U.S.	5,526,844,379	42.59
Stocks - International	2,543,432,898	19.60
Short Term Investment	396,258,394	3.05
Real Estate	592,077,808	4.56
Alternative Investment	232,777,645	1.79
Total	\$12,975,751,130	

Return on Investment

FY	<u>Pct. Return</u>	FY	<u>Pct. Return</u>
1987	6.0	1993	13.8
1988	12.8	1994	-0.4
1989	17.0	1995	20.7
1990	-1.5	1996	15.9
1991	21.0	1997	15.0
1992	5.2	1998	6.3

Trends in Accrued Liabilities

FY	<u>Total Accrued Liabilities</u>	<u>Net Assets*</u>	<u>Unfunded Liabilities</u>	<u>Percent Funded</u>
1987	5,101,775,927	3,343,327,887	1,758,448,040	65.5
1988	5,429,769,506	3,627,920,570	1,801,848,936	66.8
1989	5,908,621,028	4,068,933,601	1,839,687,427	68.9
1990	6,188,950,901	4,425,523,196	1,763,427,705	71.5
1991	6,292,501,800	4,920,113,791	1,372,388,009	78.2
1992	6,957,238,547	5,618,339,047	1,338,899,500	80.8
1993	7,372,120,903	6,258,684,564	1,113,436,339	84.9
1994	7,811,740,407	6,763,959,502	1,047,780,905	87.1
1995	8,823,697,487	8,034,030,783	789,666,704	91.1
1996	9,778,592,519	9,076,261,663	702,330,856	92.8
1997	10,807,969,067	10,273,116,034	534,853,033	95.1
1998	16,120,245,355	13,085,568,618	3,034,676,737	81.1

*1995 and 1996 at Fair Value

**(Chicago) Municipal Employees',
Officers' and Officials'
Annuity and Benefit Fund**

**Illinois Pension Code
Article 8**

Municipal Employees', Officers' and Officials A&B Fund (Chicago)

Statement of Assets and Reserve Liabilities Fiscal Year Ended December 31, 1998

Assets

Cash	\$ 10,443,971
Investments	5,565,866,726
Receivables	230,118,792
Securities Lending Collateral	655,450,748
Fixed Assets	222,581
Total Assets	6,462,102,818
Short-term Liabilities (Accounts payable and accrued expenses)	746,245,174
Net Assets Available for Benefits, Total	<u>\$5,715,857,644</u>

Reserve Liabilities

Reserves For:		
Active Participants	\$2,512,792,259	
Beneficiaries	2,001,416,129	
Reserve Liabilities, Total		6,323,965,903
Unfunded Actuarial Liabilities		608,108,259
Fund Balance		<u>\$5,715,857,644</u>

Municipal Employees', Officers' and Officials A&B Fund (Chicago)

Statement of Income and Expenditures Fiscal Year Ended 1998

Fund Balance, End of FY 1997 \$4,932,790,605

Income

Investment Income	\$ 859,323,533
Employee Contributions	124,013,519
Employer Contributions	159,225,761
Total Income, FY 1998	\$1,142,562,813

Disbursements

Benefit Payments

Retired Employees	\$255,617,610	
Disabled Employees	7,462,337	
Survivors	32,539,020	
		\$ 238,254,858

Refunds 37,851,181

Hospitalization Benefit Payments 6,185,736

Other Benefits 450,909

Total Benefits Paid 340,106,793

Administrative Expenses 4,609,199

Investment Expenses 14,779,782

Total Disbursements, FY 1998 359,495,774

Net Income, FY 1998 783,067,039

Fund Balance, End of FY 1998 \$5,715,857,644

Municipal Employees', Officers' and Officials A&B Fund (Chicago)

Value of Investment Portfolio, End of FY 1998

Classification	Market Value	Pct.
Bonds	1,785,971,995	32.09
Stocks	3,297,035,550	59.24
International Equity	132,953,797	2.39
Real Estate	119,279,387	59.24
Venture Capital	230,625,997	4.14
Total	\$5,565,866,726	

Return on Investment

FY	Pct. Return	FY	Pct. Return
1987	11.3	1993	10.1
1988	8.2	1994	5.3
1989	10.4	1995	9.4
1990	7.1	1996	11.9
1991	12.8	1997	13.0
1992	8.4	1998	18.1

Trends in Accrued Liabilities

FY	<u>Total Accrued Liabilities</u>	<u>Net Assets</u>	<u>Unfunded Liabilities</u>	<u>Percent Funded</u>
1987	\$ 2,460,413,128	\$ 1,588,213,927	\$ 872,199,201	64.6
1988	2,612,861,075	1,731,818,761	881,042,313	66.3
1989	2,698,815,556	1,921,900,052	776,915,504	71.2
1990	3,117,949,416	2,074,206,714	1,043,742,702	66.5
1991	3,381,569,698	2,346,584,807	1,034,984,891	69.4
1992	3,645,744,440	2,546,997,026	1,098,747,414	69.9
1993	4,006,489,396	2,800,810,477	1,205,678,919	69.9
1994	4,227,053,182	2,914,811,280	1,312,241,902	69.0
1995	4,406,303,090	3,163,598,193	1,242,704,897	71.8
1996	4,514,208,387	3,482,671,192	1,031,537,195	77.1
1997	5,259,125,157	3,853,466,483		
1998	6,323,965,903	5,715,857,644	608,108,259	90.4

**County Employees' and Officers'
Annuity and Benefit Fund
(Cook County)**

Illinois Pension Code

Article 9

County Employees' and Officers' A&B Fund

Statement of Assets and Reserve Liabilities Fiscal Year Ended December 31, 1998

Assets

Cash	\$ 18,210,683
Investments	3,928,333,322
Receivables	167,377,112
Total Assets	4,113,921,117
Short-term Liabilities	2,752,221
(Accounts payable and accrued expenses)	
Net Assets Available for Benefits, Total	<u>\$4,111,168,896</u>

Reserve Liabilities

Reserves For:		
Active Participants	\$2,318,128,738	
Benefits	2,624,026,435	
Reserve Liabilities, Total		4,942,155,173
Unfunded Actuarial Liabilities		830,986,277
(Reserve Liabilities - Net Assets available)		
		\$4,111,168,896
Fund Balance		

County Employees' and Officers' A&B Fund

Statement of Income and Expenditures Fiscal Year Ended December 31, 1998

Fund Balance, End of FY 1997		\$3,676,804,700
Income		
Investment Income		\$ 400,747,577
Employee Contributions		105,014,274
Employer Contributions		144,482,538
Other Income		2,975,732
Total Income, FY 1998		\$653,220,121
Disbursements		
Benefit Payments		
Retired Employees	\$147,481,002	
Disabled Employees	6,921,391	
Survivors	9,153,407	
Group Hospital Premiums	14,692,653	
Compensation Annuities	47,483	
Supplementary Payments	35,661	178,331,597
Refunds		30,201,556
Total Benefits Paid		208,533,154
Administrative Expenses		3,589,769
Investment Expenses		6,743,002
Total Disbursements, FY 1998		218,855,925
Net Income, FY 1998		434,364,196
Fund Balance, End of FY 1998		<u>\$4,111,168,896</u>

County Employees' and Officers' A&B Fund Value of Investment Portfolio, End of FY 1998

Return on Investment

FY	Pct. Return	FY	Pct. Return
1987	12.6	1993	9.9
1988	9.3	1994	5.2
1989	10.5	1995	9.3
1990	9.1	1996	10.12
1991	9.5	1997	12.65
1992	9.3	1998	8.0

Trends in Accrued Liabilities

FY	<u>Total Accrued Liabilities</u>	<u>Net Assets</u>	<u>Unfunded Liabilities</u>	<u>Percent Funded</u>
1987	\$ 1,291,036,367	\$ 1,099,935,540	\$ 191,100,917	85.2
1988	1,440,469,227	1,259,029,020	182,958,804	87.4
1989	1,528,444,970	1,452,251,552	76,193,418	95.0
1990	1,712,653,822	1,645,730,221	66,923,601	96.1
1991	1,983,198,717	1,864,655,578	118,543,139	84.0
1992	2,350,677,377	2,112,357,751	238,319,626	89.9
1993	2,631,597,979	2,370,082,065	261,515,914	90.1
1994	2,932,627,441	2,552,956,753	379,670,688	87.1
1995	3,164,701,603	2,848,586,837	316,114,766	90.0
1996	3,509,378,287	3,202,293,141	307,085,146	91.3
1997	4,253,917,276	3,676,804,700	577,112,576	86.4
1998	4,942,155,173	4,111,168,896	830,986,277	83.2

**(Cook County) Forest Preserve
District Employees'
Annuity and Benefit Fund**

**Illinois Pension Code
Article 10**

Forest Preserve District
Statement of Assets and Reserve Liabilities
Fiscal Year Ended December 31, 1998

Assets

Cash	\$ 420,015
Investments	119,989,971
Receivables	3,844,035
Total Assets	124,254,020
Short-term Liabilities (Accounts payable and accrued expenses)	210,483
Net Assets Available for Benefits, Total	<u>\$124,043,537</u>

Reserve Liabilities

Reserves For:		
Active Participants	\$61,635,879	
Retirement and Disabilities	36,945,351	
Survivors	19,596,084	
Health insurance supplement	12,355,164	
Inactive	1,970,933	
Other	3,863,349	
Reserve Liabilities, Total		136,366,759
Unfunded Actuarial Liabilities		12,323,222
Fund Balance		<u>\$124,254,020</u>

Forest Preserve District
Statement of Income and Expenditures
Fiscal Year Ended December 31, 1998

Fund Balance, End of FY 1997 **\$ 112,629,491**

Income

Investment Income	\$ 11,839,808
Employee Contributions	2,665,930
Employer Contributions	3,442,481
Other Income	44,683
Total Income, FY 1998	\$17,992,902

Disbursements

Benefit Payments		
Retired Employees	\$4,135,792	
Disabled Employees	135,391	
Survivors	622,356	
Supplementary Payments	608,384	5,501,923
Refunds		752,119
Total Benefits Paid		6,254,042
Investment Expenses		296,396
Administrative Expenses		28,417
Total Disbursements, FY 1998		6,578,856
Net Income, FY 1998		11,414,046
Fund Balance, End of FY 1998		<u>\$124,043,537</u>

Forest Preserve District Value of Investment Portfolio, End of FY 1998

Classification	Market Value
Invested Cash and Equivalents	\$420,014 147,130,023
Bonds, Notes, Stocks	690,193
Interest Receivable	3,062,846
Net Taxes Receivable	90,994
Other	\$151,814,086
Total	

Return on Investment

FY	Pct. Return	FY	Pct. Return
1987	12.17	1993	8.98
1988	9.41	1994	6.46
1989	10.85	1995	8.89
1990	9.26	1996	10.42
1991	13.21	1997	11.93
1992	9.04	1998	10.94

Trends in Accrued Liabilities

FY	Total Accrued Liabilities	Net Assets	Unfunded Liabilities	Percent Funded
1987	\$ 43,023,826	\$ 40,096,492	\$ 2,927,334	93.2
1988	44,721,585	44,996,305	274,720	99.4
1989	46,659,769	50,683,616	-4,023,847	108.6
1990	56,212,342	51,615,726	-4,596,616	108.9
1991	64,686,518	55,809,069	8,877,449	115.9
1992	68,719,554	71,579,518	-2,859,964	104.2
1993	77,582,522	77,760,117	-177,595	100.2
1994	84,719,729	82,848,809	1,870,920	97.8
1995	89,931,823	90,531,548	-599,725	100.7
1996	100,065,070	100,504,096	-439,026	100.4
1997	121,555,072	112,629,491	8,925,581	92.7
1998	136,366,759	124,043,537	12,323,222	91.0

**(Chicago) Laborers' and
Retirement Board Employees'
Annuity and Benefit Fund**

**Illinois Pension Code
Article 11**

Laborers' and Retirement Board Employees' A&B Fund

Statement of Assets and Reserve Liabilities Fiscal Year Ended December 31, 1998

Assets

Cash	\$	-0-
Investments		1,584,924,359
Receivables		32,746,731
Collateral from Securities Lending		309,884,953
Fixed Assets		116,152
Total Assets		1,927,672,195
Short-term Liabilities (Accounts payable and accrued expenses)		311,931,488
Net Assets Available for Benefits, Total		<u>\$1,615,740,707</u>

Reserve Liabilities

Reserves For:		
Active Participants	\$521,397,229	
Benefits	771,214,483	
Reserve Liabilities, Total		1,292,611,712
Surplus		323,128,995
Fund Balance		<u>\$1,615,740,707</u>

Laborers' and Retirement Board Employees' A&B Fund

Statement of Income and Expenditures Fiscal Year Ended December 31, 1998

Fund Balance, End of FY 1997 \$1,403,451,043

Income

Investment Income	\$ 263,961,563
Employee Contributions	18,687,316
Employer Contributions	19,721,302
Other Income	-0-
Total Income, FY 1998	\$302,370,181

Disbursements

Annuity Payments		
Retired Employees	\$49,422,171	
Disabled Employees	2,057,077	
Survivors	9,869,891	
Annuitant Health Insurance	1,665,859	63,014,998
Refunds		4,397,253
Total Benefits Paid		67,412,251
Investment Expense		21,169,918
Administrative Expenses		1,490,515
Other		7,832
Total Disbursements, FY 1998		90,080,517
Net Income, FY 1998		212,289,664
Fund Balance, End of FY 1998		<u>\$1,615,740,707</u>

Laborers' and Retirement Board Employees' A&B Fund Value of Investment Portfolio, End of FY 1998

Classification	Market Value
Cash and Cash	\$ 168,026,972
Equivalent	636,675,581
Fixed Income	708,592,949
Equities	31,130,051
Real Estate	15,791,080
Venture Capital	24,707,723
International Equities	\$1,584,924,358

Return on Investment

FY	Pct. Return	FY	Pct. Return
1987	12.29	1993	11.95
1988	7.99	1994	6.64
1989	11.75	1995	10.96
1990	7.85	1996	12.27
1991	10.80	1997	15.61
1992	9.21	1998	19.46

Trends in Accrued Liabilities

FY	<u>Total Accrued Liabilities</u>	<u>Net Assets</u>	<u>Unfunded Liabilities</u>	<u>Percent Funded</u>
1987	\$ 583,284,026	\$ 546,947,052	\$ 36,336,974	93.8
1988	604,440,661	584,899,234	19,541,427	96.8
1989	633,894,540	646,313,443	-12,418,903	101.9
1990	716,604,604	687,103,206	29,501,398	95.9
1991	761,056,602	746,260,921	14,795,681	98.1
1992	777,385,162	797,641,186	-20,256,024	102.6
1993	847,293,445	871,897,213	-23,603,768	102.9
1994	866,493,209	905,389,873	-38,896,664	104.5
1995	890,375,387	979,038,393	-88,663,006	110.0
1996	936,623,719	1,074,699,269	-138,075,550	114.7
1997	1,040,650,534	1,204,439,298	-163,788,764	115.7
1998	1,292,611,712	1,615,740,707	-323,128,995	125.0

**(Chicago) Park Employees' and
Retirement Board Employees'
Annuity and Benefit Fund**

**Illinois Pension Code
Article 12**

Park Employees' and Retirement Board Employees' A & B Fund

Statement of Assets and Reserve Liabilities Fiscal Year Ended June 30, 1998

Assets

Cash	\$ 18,823,670
Investments	592,364,638
Receivables	7,271,539
Prepaid Expenses	14,668
Totals Assets	618,474,515
Short-term Liabilities	1,151,539
(Accounts payable and accrued expenses)	
Net Assets Available for Benefits, Total	<u>\$ 617,322,976</u>

Reserve Liabilities

Reserves For:		
Active Participants	\$199,936,404	
Retirement Annuities	274,250,831	
Survivor Benefits	79,661,748	
Inactive Participants	8,650,640	
Other Benefits	3,082,696	
Reserve Liabilities, Total		565,582,319
Surplus		51,740,657
Fund Balance		<u>\$ 617,322,976</u>

Park Employees' and Retirement Board Employees' A & B Fund

Statement of Income and Expenditures Fiscal Year Ended June 30, 1998

Fund Balance, End of FY 1997 \$557,595,051

Income

Investment Income	\$ 88,368,035
Employee Contributions	8,553,046
Employer Contributions	9,205,599
Total Income, FY 1998	\$106,126,680

Disbursements

Annuity Payments

Retired Employees	\$32,827,170
Disabled Employees	632,408
Survivors	6,248,592
Refunds	2,905,707
Death	437,450

Total Benefits Paid 43,051,327

Investment Expenses 2,296,408

Administrative Expenses 1,051,020

Total Disbursements, FY 1998 46,398,755

Net Income, FY 1998 59,727,925

Fund Balance, End of FY 1998 \$617,322,976

Park Employees' and Retirement Board Employees' A & B Fund Value of Investment Portfolio, End of FY 1998

Classification	Market Value
Fixed Income:	
U. S. Government	\$7,539,433
Federal Home Loan	40,142,102
FNMA	13,926,488
GNMA	9,491,820
Resolution Fund	1,164,594
Corporates	97,585,212
Index Funds	47,776,972
Equities:	
Common Stock	174,544,551
Commingled Account	122,986,930
Index Funds	39,723,233
Total Investments	592,364,638
Totals	\$1,147,245,953

Return on Investment

FY	Pct. Return	FY	Pct. Return
1987	11.9	1993	8.0
1988	10.4	1994	9.0
1989	9.0	1995	
1990	8.0	1996	11.7
1991	7.6	1997	12.1
1992	8.5	1998	3.3

Trends in Accrued Liabilities

FY	Total Accrued <u>Liabilities</u>	Net Assets	Unfunded <u>Liabilities</u>	Percent <u>Funded</u>
1987	\$ 341,947,180	\$ 256,495,615	\$ 85,451,565	75.0
1988	338,809,745	276,066,836	62,742,909	81.5
1989	354,809,745	298,271,314	56,251,584	84.1
1990	383,145,405	319,311,648	63,383,757	83.3
1991	413,332,646	337,980,067	75,352,579	81.8
1992	429,624,638	360,549,289	69,075,349	83.9
1993	480,295,637	383,495,804	96,799,833	79.8
1994	502,342,367	401,768,853	100,573,514	80.0
1995	506,325,242	417,063,903	89,261,339	82.4
1996	525,368,930	444,419,488	80,949,442	84.6
1997	549,561,424	513,807,362	35,754,062	93.5
1998	565,582,319	617,322,976	51,740,657	109.1

**Metropolitan Water Reclamation
District Retirement Fund
(of Greater Chicago)**

**Illinois Pension Code
Article 13**

Metropolitan Water Reclamation District Retirement Fund (Greater Chicago)

Statement of Assets and Reserve Liabilities Fiscal Year Ended December 31, 1998

Assets

Cash	\$	392,331
Investments		1,010,927,760
Receivables		32,938,273
Other		1,598,780
Total Assets		1,045,857,144
Short-term Liabilities (Accounts payable and accrued expenses)		11,638,562
Net Assets Available for Benefits, Total		<u>\$1,034,218,582</u>

Reserve Liabilities

Reserves For:		
Active Participants	\$518,422,734	
Retired	537,390,825	
Survivor	75,190,786	
Inactive	1,404,125	
Other Benefits	(163,294,062)	
Reserve Liabilities, Total		1,132,408,470
Unfunded Actuarial Liabilities		98,189,888
Fund Balance		<u>\$1,034,218,582</u>

Metropolitan Water Reclamation District Retirement Fund (Greater Chicago)

Statement of Income and Expenditures Fiscal Year Ended December 31, 1998

Fund Balance, End of FY 1997 \$ 935,443,056

Income

Investment Income	\$ 113,699,307
Employee Contributions	13,283,910
Employer Contributions	25,662,082
Other Income	395,662
Total Income, FY 1998	\$ 153,040,961

Disbursements

Benefit Payments		
Retired Employees	\$41,909,295	
Survivors	7,316,561	
Disabled Employees	768,430	49,994,286
Refunds		1,011,193
Total Benefits Paid		51,005,479
Investment Expenses		2,153,517
Administrative Expenses		1,106,439
Total Disbursements, FY 1998		54,265,435
Net Income, FY 1998		98,775,526
Fund Balance, End of FY 1998		<u>\$1,034,218,582</u>

Metropolitan Water Reclamation District Retirement Fund (Greater Chicago)

Return on Investment

FY	Pct. Return	FY	Pct. Return
1987	11.7	1993	9.9
1988	9.4	1994	6.6
1989	11.6	1995	10.2
1990	7.6	1996	12.8
1991	10.3	1997	11.02
1992	10.8	1998	12.3

Trends in Accrued Liabilities

FY	<u>Total Accrued Liabilities</u>	<u>Net Assets</u>	<u>Unfunded Liabilities</u>	<u>Percent Funded</u>
1987	391,175,897	329,766,805	61,409,092	84.3
1988	429,018,394	363,637,939	65,380,455	84.8
1989	463,309,078	407,723,140	55,585,938	88.0
1990	504,634,130	441,773,935	62,860,195	87.5
1991	549,689,042	486,145,943	63,543,099	88.4
1992	656,033,027	536,682,972	119,350,055	81.8
1993	710,513,440	586,300,786	124,212,654	82.5
1994	768,089,962	620,929,441	147,160,521	80.8
1995	824,719,563	753,239,058	71,480,505	91.3
1996	875,462,003	815,820,986	59,641,017	93.2
1997	1,063,733,052	935,442,920	128,290,132	87.9
1998	1,132,408,470	1,034,218,582	98,189,888	91.3

State Employees' Retirement System of Illinois

**Illinois Pension Code
Article 14**

State Employees' Retirement System of Illinois

Statement of Assets and Reserve Liabilities Fiscal Year Ended June 30, 1998

Assets

Cash	\$ 79,514,954
Investments	6,969,135,972
Receivables	17,870,937
Fixed Assets	3,622,304
Total Assets	7,070,144,167
Short-term Liabilities (Accounts payable and accrued expenses)	5,649,337
Net Assets Available for Benefits, Total	<u>\$7,064,494,830</u>

Reserve Liabilities

Reserves For:		
Active Participants	\$5,105,216,710	
Retirement Annuities	3,553,327,519	
Survivor Annuities	378,889,575	
Inactive Participants	192,251,624	
Other Benefits	112,212,201	
Reserve Liabilities, Total		9,341,897,641
Unfunded Actuarial Liabilities		2,277,402,811
Fund Balance		<u>\$7,064,494,830</u>

State Employees' Retirement System of Illinois
Statement of Income and Expenditures
Fiscal Year Ended June 30, 1998

Fund Balance, End of FY 1997 **\$6,048,027,225**

Income

Investment Income	\$1,080,235,182
Employee Contributions	155,898,112
Employer Contributions	200,741,736
Other Income	0
Total Income, FY 1998	\$1,436,875,030

Disbursements

Annuity Payments

Retired Employees	\$322,676,817
Disabled Employees	24,711,911
Survivors	38,184,192
Refunds	14,812,967
Lump Sum Death	13,867,165

Total Benefits Paid **414,253,052**

Administrative Expenses **6,154,373**

Total Disbursements, FY 1998 **420,407,425**

Net Income, FY 1998 **1,016,467,605**

Fund Balance, End of FY 1998 **\$7,064,494,830**

State Employees' Retirement System of Illinois

Classification	Market Price
Fixed Income	\$1,961,870,817
Equities	3,065,769,285
Foreign Equities	1,083,783,967
Real Estate	250,823,177
Non-Marketable	361,780,824
Forward Foreign Exchange	(306,533)
Options	8,760
Cash equivalents	656,179,130
Total	\$7,379,909,427

Return on Investment

FY	Pct. Return	FY	Pct. Return
1987	8.8	1993	12.1
1988	2.5	1994	4.0
1989	14.3	1995	14.0
1990	8.0	1996	16.6
1991	7.0	1997	18.8
1992	11.6	1998	18.1

Trends in Accrued Liabilities

FY	<u>Total Accrued Liabilities</u>	<u>Net Assets</u>	<u>Unfunded Liabilities</u>	<u>Percent Funded</u>
1987	\$3,361,722,501	2,225,883,146	1,135,839,355	67.2
1988	3,641,579,030	2,381,806,066	1,259,772,964	65.4
1989	3,752,134,283	2,580,198,846	1,171,935,437	68.8
1990	4,538,074,194	2,795,567,110	1,742,507,084	61.6
1991	4,949,880,212	2,981,414,553	1,968,465,659	60.2
1992	5,600,766,741	3,278,247,557	2,322,519,184	58.5
1993	6,044,465,371	3,496,486,400	2,547,978,971	57.8
1994	6,502,121,427	3,721,891,160	2,780,230,267	57.2
1995	6,988,469,665	3,923,096,565	3,065,373,100	56.1
1996	7,390,892,435	4,396,969,051	2,993,923,384	59.5
1997	7,548,207,778	6,048,027,225	1,500,180,553	80.1
1998	9,341,897,641	7,064,494,830	2,277,402,811	75.6

State Universities Retirement System

**Illinois Pension Code
Article 15**

State Universities Retirement System
Statement of Assets and Reserve Liabilities
Fiscal Year Ended June 30, 1998

Assets

Investments	\$ 460,282,838
Receivables	9,649,007,658
Securities Lending Collateral	506,584,024
Prepaid Expenses	29,396
Fixed Assets	14,341,417
Total Assets	10,803,528,012
Short-term Liabilities (Accounts payable and accrued expenses)	1,009,850,130
Net Assets Available for Benefits, Total	<u>\$ 9,793,677,882</u>

Reserve Liabilities

Reserves For:	
Active Participants	\$6,321,862,000
Retirement Annuities	4,238,070,000
Survivor Annuities	342,293,000
Disability Benefits	211,836,000
Inactive Participants	302,034,000
Reserve Liabilities, Total	11,416,095,000
Unfunded Actuarial Liabilities	1,622,471,118
Fund Balance	<u>\$ 9,793,677,882</u>

State Universities Retirement System

Statement of Income and Expenditures Fiscal Year Ended June 30, 1998

Fund Balance, End of FY 1997 \$8,376,347,303

Income

Investment Income	\$1,488,480,784
Employee Contributions	221,769,326
Employer Contributions	227,798,626
Total Income, FY 1998	\$1,938,048,736

Disbursements

Annuity Payments

Retired Employees	\$406,108,574	
Disabled Employees	13,564,031	
Survivors	34,791,431	
Refunds	29,680,325	
Reversionary Benefits	400,080	
Beneficiary Annuities	335,623	
Death Benefits	11,309,008	
Total Benefits Paid		461,397,641
Investment Expense		13,891,156
Bond Interest Expense		1,209,635
Administrative Expenses		9,428,294
Total Disbursements, FY 1998		520,718,157
Net Income, FY 1998		1,417,330,579
Fund Balance, End of FY 1998		<u>\$9,793,677,882</u>

State Universities Retirement System

Classification	Market Value
Fixed Income	\$3,120,313,874
Equities	6,852,903,346
Real Estate	134,492,069
Mutual Fund	1,581,208
Total	\$10,109,290,497

Return on Investment

FY	Pct. Return	FY	Pct. Return
1987	16.3	1993	11.2
1988	2.3	1994	.8
1989	17.1	1995	16.5
1990	9.7	1996	18.3
1991	5.4	1997	21.4
1992	10.3	1998	17.8

Trends in Accrued Liabilities

FY	<u>Total Accrued Liabilities</u>	<u>Net Assets</u>	<u>Unfunded Liabilities</u>	<u>Percent Funded</u>
1987	\$ 4,234,992,151	\$ 2,470,490,495	\$ 1,764,501,656	54.2
1988	4,640,910,612	2,698,000,609	1,942,910,003	54.2
1989	5,597,211,055	2,990,015,637	2,226,327,330	53.4
1990	6,238,346,005	3,299,957,176	2,938,388,829	52.9
1991	6,647,500,584	3,529,759,901	3,117,740,683	53.1
1992	7,359,592,554	3,901,516,706	3,458,075,848	53.0
1993	7,838,186,000	4,188,535,089	3,649,650,911	53.4
1994	8,585,512,000	4,446,941,755	4,138,570,245	51.8
1995	9,379,398,413	4,674,199,801	4,705,198,612	49.8
1996	10,155,039,000	5,082,891,132	5,072,147,868	50.1
1997	10,552,200,000	8,376,347,000	2,175,853,000	79.4
1998	11,416,100,000	9,793,809,000	1,622,417,118	85.8

Teachers' Retirement System of the State of Illinois

Illinois Pension Code

Article 16

Teachers' Retirement System
Statement of Assets and Reserve Liabilities
Fiscal Year Ended June 30, 1998

Assets

Cash	\$ 1,129,919
Investments	20,748,444,332
Receivables	363,970,291
Collateral from securities lending	1,841,099,038
Prepaid Expenses	637,835
Fixed Assets	3,184,221
Total Assets	22,958,465,636
Sort-term Liabilities (Accounts payable and accrued expenses)	2,992,578,231
Net Assets Available for Benefits, Total	<u>\$19,965,887,405</u>

Reserve Liabilities

Reserves For:		
Active Participants	\$16,077,658,000	
Retired (All Annuitants)	13,850,583,000	
Reserve Liabilities, Total		29,908,241,000
Unfunded Actuarial Liabilities		9,942,353,595
Fund Balance		<u>\$19,965,887,405</u>

Teachers' Retirement System
Statement of Income and Expenditures
Fiscal Year Ended June 30, 1998

Fund Balance, End of FY 1997	\$17,393,107,915
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Income

Investment Income	\$ 3,051,004,012
Employee Contributions	441,016,391
Employer Contributions	502,933,797
Total Income, FY 1998	\$3,994,954,200

Disbursements

Annuity Payments

Retired Employees	\$1,138,530,246	
Disabled Employees	13,431,030	
Survivors	51,180,760	
Lump Sum Death	6,815,208	
Transfer	181,831	
Refunds	24,371,777	
 Total Benefits Paid		 1,234,510,855
Investment Expenses		177,902,545
Administrative Expenses		9,761,310
 Total Disbursements, FY 1998		 1,422,174,710
 Net Income, FY 1998		 2,572,779,490
 Fund Balance, End of FY 1998		 <u>\$19,965,887,405</u>

Teachers' Retirement System

Value of Investment Portfolio, End of FY 1998

Classification	Market Value
Fixed Income	\$8,185,927,037
Equities	8,548,058,878
Real Estate	2,465,432,457
Other	1,783,240,715
Total	\$20,982,659,087

Return on Investment

FY	Pct. Return	FY	Pct. Return
1987	15.4	1993	11.6
1988	0.9	1994	4.7
1989	14.4	1995	13.4
1990	9.7	1996	16.3
1991	5.9	1997	18.3
1992	10.8	1998	16.6

Trends in Accrued Liabilities

FY	<u>Total Accrued Liabilities</u>	<u>Net Assets</u>	<u>Unfunded Liabilities</u>	<u>Percent Funded</u>
1987	\$ 9,949,961,999	\$ 6,092,158,000	\$ 3,857,766,000	61.2
1988	10,922,587,000	6,684,489,000	4,238,098,000	61.2
1989	11,913,959,000	7,272,071,000	4,641,888,000	61.0
1990	13,662,509,000	8,079,898,000	5,582,611,000	59.1
1991	15,141,334,000	8,747,122,000	6,394,212,000	57.8
1992	16,659,353,000	9,811,962,000	6,847,391,000	58.9
1993	18,485,890,000	10,879,590,000	7,606,300,000	58.9
1994	21,746,875,000	11,992,224,000	9,754,651,000	55.1
1995	23,980,566,000	12,641,865,000	11,338,701,000	52.7
1996	26,141,794,000	13,829,711,000	12,312,083,000	52.9
1997	26,951,585,000	17,393,108,000	9,558,477,000	64.5
1998	29,908,241,000	19,965,887,405	9,942,353,595	66.8

**Public School Teachers
Pension and Retirement Fund
of Chicago**

**Illinois Pension Code
Article 17**

Public School Teachers Pension and Retirement Fund of Chicago

Statement of Assets and Reserve Liabilities Fiscal Year Ended August 31, 1998

Assets

Cash	\$ 355,500,021
Investments	7,890,400,184
Receivables	91,203,778
Securities Lending Collateral	1,132,840,384
Prepaid Expenses	1,619,330
Fixed Assets	192,777
Total Assets	9,471,756,474
Short-term Liabilities (Accounts payable and accrued expenses)	1,161,598,234
Net Assets Available for Benefits, Total	<u>\$8,310,158,240</u>

Reserve Liabilities

Reserves For:		
Active Participants	\$4,259,543,029	
Retirement Pensions	3,479,716,456	
Survivor Pensions	137,054,733	
Disability Pensions	53,209,061	
Inactive Participants	86,080,085	
Reserve Liabilities, Total		8,015,603,364
Surplus		294,554,876
Fund Balance		<u>\$8,310,158,240</u>

Public School Teachers Pension and Retirement Fund of Chicago

Statement of Income and Expenditures Fiscal Year Ended August 31, 1998

Fund Balance, End of FY 1997		\$ 8,099,468,859
Income		
Investment Income		\$ 440,304,802
Employee Contributions		115,155,574
Employer Contributions		75,069,133
Other Income		3,684
Total Income, FY 1998		\$ 630,533,193
Benefit Payments		
Retired Employees	\$275,890,797	
Disabled Employees	4,205,876	
Survivors	14,614,915	
Death Benefits	3,632,505	
Refunds	11,770,580	
Automatic Pension Increases	62,275,156	
Total Benefits Paid		372,389,829
Refunds of Insurance Premiums		24,225,631
Investment Expense		12,046,207
Administrative Expenses		19,799,014
Total Disbursements, FY 1998		419,843,812
Net Income, FY 1998		210,689,381
Fund Balance, End of FY 1998		<u>\$8,310,158,240</u>

Public School Teachers Pension and Retirement Fund of Chicago

Return on Investment

FY	Pct. Return	FY	Pct. Return
1987	7.0	1993	16.0
1988	6.9	1994	1.9
1989	8.2	1995	16.2
1990	7.5	1996	11.7
1991	7.9	1997	10.5
1992	7.8	1998	5.37

Trends in Accrued Liabilities

FY	<u>Total Accrued Liabilities</u>	<u>Net Assets</u>	<u>Liabilities</u>	<u>Percent Funded</u>
1987	\$3,935,062,675	\$2,582,238,009	\$1,352,824,666	72.3
1988	4,191,547,620	2,928,300,723	1,263,246,897	69.9
1989	4,624,431,749	3,250,392,462	1,399,207,188	69.1
1990	5,012,500,170	3,764,801,260	1,247,698,910	75.1
1991	4,902,961,000	4,027,251,505	875,709,495	82.1
1992	5,215,601,846	4,299,936,041	915,665,805	82.4
1993	5,904,364,135	4,658,030,036	1,246,334,099	78.9
1994	6,247,417,779	5,106,254,796	1,141,162,983	81.7
1995	6,523,543,057	5,276,538,889	1,247,004,168	80.1
1996	6,949,831,870	5,805,332,918	1,144,498,952	83.5
1997	7,248,109,505	7,228,249,279	19,860,226	99.7
1998	8,015,603,364	8,310,158,240	294,554,876	103.7

Judges' Retirement System of Illinois

Illinois Pension Code

Article 18

Judges' Retirement System of Illinois
Statement of Assets and Reserve Liabilities
Fiscal Year Ended June 30, 1998

Assets

Cash	\$ 6,867,811
Investments	349,612,772
Receivables	327,432
Fixed Assets	10,281
Total Assets	356,818,296
Short-term Liabilities (Accounts payable and accrued expenses)	125,360
Net Assets Available for Benefits, Total	<u>\$356,692,936</u>

Reserve Liabilities

Reserves For:	
Active Participants	\$274,820,870
Retirement Annuities	324,920,193
Survivor Annuities	122,073,056
Inactive Participants	17,559,297
Other Benefits	7,902,114
Reserve Liabilities, Total	747,275,530
Unfunded Actuarial Liabilities	390,582,594
Fund Balance	<u>\$356,692,936</u>

Judges' Retirement System of Illinois

Statement of Income and Expenditures Fiscal Year Ended June 30, 1998

Fund Balance, End of FY 1997 \$ 314,561,229

Income

Investment Income	\$ 55,141,638
Employee Contributions	10,832,669
Employer Contributions	15,692,152
Total Income, FY 1998	\$81,666,459

Disbursements

Annuity Payments		
Retired Annuities	\$30,130,617	
Survivor Annuities	8,502,107	
Refunds	568,419	
Total Benefits Paid		39,201,143
Administrative Expenses		333,609
Total Disbursements, FY 1998		39,534,752
Net Income, FY 1998		42,131,707
Fund Balance, End of FY 1998		<u>\$356,692,936</u>

Judges' Retirement System of Illinois

Return on Investment

FY	<u>Pct. Return</u>	FY	<u>Pct. Return</u>
1987	8.8	1993	12.1
1988	2.5	1994	4.0
1989	14.3	1995	14.0
1990	8.0	1996	16.6
1991	7.0	1997	18.8
1992	11.6	1998	18.1

Trends in Accrued Liabilities

FY	<u>Total Accrued Liabilities</u>	<u>Net Assets</u>	<u>Unfunded Liabilities</u>	<u>Percent Funded</u>
1987	\$ 307,064,068	138,946,069	168,117,999	48.6
1988	335,307,458	146,557,383	176,979,002	47.2
1989	319,402,592	156,238,762	163,163,830	48.9
1990	366,116,393	166,984,434	199,131,959	45.6
1991	385,528,189	173,989,204	211,538,985	45.1
1992	423,758,708	187,627,388	236,131,320	44.3
1993	458,826,434	199,679,764	259,146,670	43.5
1994	479,129,504	207,837,018	271,292,486	43.4
1995	523,685,631	214,104,027	309,581,604	40.9
1996	577,792,256	232,432,993	345,359,263	40.2
1997	704,460,056	314,561,229	389,898,827	44.6
1998	747,275,530	356,692,936	390,582,594	47.7